

MT LEGISLATIVE HISTORY

Chapter 405 1973

Bill H 16 S _____

Original bill & hist. C

H. Committee on Taxation

S. Committee on Taxation

Hearing Date(s) 1/17 ✓ C

Hearing Date(s) _____ C

1/19 ✓ C

_____ C

1/20 ✓ C

3/8 ✓ C

1/16 ✓ C

_____ C

1/18 ✓ C

Date Out 1/19 ✓ C

3/8 _____ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

1973
House

Page 2

TAXATION COMMITTEE

43rd Legislative Assembly

Bill No.	Subject Matter	Date In	Hearing Date	Comments	Date Out	Committee Action	Final Action
HB 16 Shelden, Lucas By Request	Providing for a general revision of the tax laws of Montana.	1/4	1/9 1/15		1/9	As amended, DO PASS	Signed by Governor
HB 17 Shelden, Lucas By Request	Amends all sections concerned w/taxation which don't appear in section 84.	1/4	1/9		1/9	As amended, DO PASS	Signed by Governor
HB 68 Bradley, Turman, Et Al	An act to authorize the creation of funds to promote, establish & maintain day care centers & homes -- & provide special levy	1/6	1/10		1/12	As amended DO PASS	Signed by Governor
HB 71 Lockrem, Schye, Laas etc.----	Provide that architectural firms, builders, contractors or manufacturers licensed by a state agency are exempt from paying-- the county license tax; amending section 84-3207, R.C.M., 1947.	1/8		1/9, transferred to State Administration Committee			Killed in Committee
HB 22 Winsworth, Berke By Request	Providing for the manner in which land is to be classified.	1/11	1/17		1/17	DO PASS	

ROLL CALL VOTE ---

TAXATION

COMMITTEE

	Date: 1/9 No: 15	Date: 1/12 No: 61	Date: 1/12 No: 52	Date: 1/12 No: 68	Date: 1/17 No: 36	Date: 1/17 No: 22	Date: 1/19 No: 16	Date: No:
Watt	A	A	A	A	A	A	A	
Healy	A	A	A	A	A	A	A	
Burnett	N	A	N	N	N	A	N	
Edland	A	A	A	A	A	A	A	
Fagg	A	A	N	A	N	A	A	
Halvorson	A	A	A	A	A	A	A	
Kolstad	A	A	N	N	N	A	A	
Lundgren	A	A	A	A	N	A	A	
Norman	A	A	A	A	A	A	A	
Stephens	A	A	A	A	A	A	A	
Swanberg	A	A	N	A	N	A	A	
Tierney	A	A	A	A	N	A	A	
Towe	A	A	A	A	A	A	A	
Ulmer	N	A	N	N	N	A	A	
Yardley	A	A	A	A	A	A	A	
	13 - A 2 - N	15 - A	10 - A 5 - N	12 - A 3 - N	8 - A 7 - N	15 - A	14 - A 1 - N	

January 4, 1973

TAXATION COMMITTEE

The meeting was called to order by Chairman Robert D. Watt at 8:10 a.m., with fourteen (14) members present. (absent Norman)

The Chairman began the meeting by noting those bills received thus far as numbers 15, 16, 17, 36, 47, 52 and 58. Those bills discussed during the meeting were 15, 16 and 17 which are implementation bills for the constitution.

James H. Burnett stated he is writing a bill to reinstate the Board of Equalization into approximately its present function, and will introduce the bill in the near future.

Chairman Watt requested volunteers for subcommittees to study bill numbers 15, 16, and 17. On committee for bill 15 will be John E. Healy as chairman and also Harrison G. Fagg and Ora J. Halvorson. On committee for bill 16 will be Wallace B. Edland as chairman and also James H. Burnett and Thomas E. Towe. On committee for bill 17 will be Dan Yardley as chairman and also Robert E. Stephens and Walter J. Ulmer. The responsibility for each bill rests with the men comprising each committee.

The board downstairs on third floor will be posted listing all hearings.

Question was raised as to whether the committee will meet on Saturday. A decision will be made next meeting.

There being no further business the meeting adjourned at 8:35 a.m.


Robert D. Watt
Chairman

January 9, 1973

TAXATION COMMITTEE

The meeting was called to order by Chairman Robert D. Watt at 12 noon, with all fifteen members present.

The first order of business was the reading of amendments to House Bill fifteen (15) by Chairman Watt. Ray Wayrynen, former speaker of the house, proceeded to explain the amendments. Chairman Watt then stated that since bills fifteen (15), sixteen (16), and seventeen (17) are sufficiently related to one another that discussion and testimony would commence on all of them at the same time. He asked that all those in favor of the bills be the first to speak.

J. Morley Cooper, representing the State Board of Equalization was the first to state his position. Those speaking for the bills were Jean Anderson who represented the League of Women Voters and Ray Wayrynen who had a prepared statement in behalf of himself which constitutes part of these minutes. A. G. Slattery, representing the Montana County Assessor's Association simply asked if questions would be permitted.

Secondly, in order, those people who testified in opposition to the bill: John C. Alley, representing the State Board of Equalization; Alvin Hageman, representing the county commissioners; Kenneth Rustad, representing the county government; Burt Hurwitz, representing the Montana Association of the County Commissioners; Dean Zinnicker, representing the Montana Association of County Commissioners.

Robert N. Holding, representing the Montana Taxpayer's Association, then suggested that since there are to be so many bills introduced under the new constitution that there should be a joint house and senate study for the purpose of implementation. He further stated that the session is now in a state of confusion.

Keith Colbo, the present Director of Revenue, did not have a statement as such, but remained available for any question-answer period.

Following the testimony, there ensued a rather lengthy question-answer period between the committee members and those people who had testified either in favor of or against the bills, with many of each side participating.

January 9, 1973

(CONT.)

Finally, Mr. Watt informed those present that the formal hearing was terminated. He further stated that under the new constitution, anyone was allowed to be present during a committee meeting; however, those people other than committee members themselves would no longer be allowed to take part in the discussion.

As the first order of business in the committee meeting, Rep. Thomas Towe noted that on page two-hundred fifty-eight (258) the word appeal should be changed to the word appear.. Instead of introducing his own amendment, however, it was decided that the change would be made in the amendment introduced by Rep. John Healy. John Healy moved to adopt amendment by Thomas Towe and include in the existing amendment. The motion was seconded by Thomas Towe, and the motion passed.

James Burnett then suggested there be a postponement of bills fifteen (15), sixteen (16), and seventeen (17) for the purpose of further research and also more time for feedback from particular counties involved with study of the bill. Dan Yardley stated he saw no purpose in delaying action on House Bill fifteen (15) as there is no substantive change involved with it. Mr. Burnett agreed with Mr. Yardley on the subject.

Gorham Swanberg then motioned that House Bill fifteen (15) DO PASS as amended. Ora J. Halvorson seconded the motion. The bill was passed, with James Burnett and Walter Ulmer voting against the bill.

Thomas Towe had copies of amendments proposed for bills sixteen (16) with him, but due to the lateness of the hour and the legislative session due to begin, he was asked to prepare copies of the amendments for all members of committee and have available for the Wednesday, January 10 meeting. James Burnett will also have amendments prepared for bill sixteen (16).

Thomas Towe moved to postpone for six (6) days until January 15 final consideration of bills sixteen (16) and seventeen (17). The motion was seconded by James Burnett and carried.

There being no further business the meeting adjourned at 1:25 p.m.


Robert D. Watt,
Chairman

NAME Walter J. Hall BILL No. 121511
ADDRESS San Jose DATE 1/21/51

WHOM DO YOU REPRESENT? City of San Jose

SUPPORT? ☒ OPPOSE? ☐ AMEND? ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Walter J. Hall

NAME *Larry W. Wynn*
ADDRESS *Hickman, MI*

BILL No. *15-16*

DATE *1/16/73*

WHOM DO YOU REPRESENT? *Myself*

SUPPORT?

☒

OPPOSE?

AMEND?

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME Jean Anderson BILL No. 15, 16, 17
ADDRESS 3222 East 14th, Billings, DATE 1/9/73

WHOM DO YOU REPRESENT? League of Women Voters

SUPPORT? ☒ OPPOSE? ☐ AMEND? ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Name *A. G. Stalling*

BILL No. *12*

ADDRESS *Box 902*
London, Iowa

DATE *April 13*

WHOM DO YOU REPRESENT? *Member Co. Commission*

SUPPORT?

OPPOSE?

AMEND? *X*

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME *Alvin Hagene*
ADDRESS *Barabwien*

BILL No. *16*

DATE *1-9-72*

WHO DO YOU REPRESENT? *County Commissioners*

SUPPORT?

OPPOSE?

X

AMEND?

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME James R. Kestel BILL No. 16817
ADDRESS Baker, Moor DATE 1-9-73

WHOM DO YOU REPRESENT? C. Kent

SUPPORT? _____ OPPOSE? X _____ AMEND? _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME Dean J. J. J. BILL No. 16417
ADDRESS 182 11th Ave. DATE 1-8-73
Hd.

WHOM DO YOU REPRESENT? Dist. Council of Co. Comm.

SUPPORT? _____ OPPOSE? ☒ _____ AMEND? _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME *ROBERT N. HELDING*

ADDRESS *2328 CLOVERDALE*

MISSOULA, MONTANA

WHOM DO YOU REPRESENT? *MONTANA TAXPAYERS ASSOC.*

HB 15, 16

BILL No. ** 17*

DATE *1-9-73*

SUPPORT?

OPPOSE?

AMEND? ☒

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

NAME _____

BILL No. _____

ADDRESS _____

DATE _____

WHOM DO YOU REPRESENT? _____

SUPPORT? ☒

OPPOSE? ☐

AMEND? ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STATEMENT BY RAY J. WAYRYNEN
MEMBER OF THE STATE BOARD OF EQUALIZATION
BEFORE THE HOUSE TAXATION COMMITTEE, JANUARY 9, 1973.

HOUSE BILLS 15, 16 and 17 ARE BILLS PRIMARILY FOR THE IMPLEMENTATION OF THE NEW STATE CONSTITUTION, AND MORE PARTICULARLY, ARTICLE VIII ON REVENUE AND FINANCE, AND SPECIFICALLY, SECTION 3 OF THAT ARTICLE ON PROPERTY TAX ADMINISTRATION AND SECTION 7 ON TAX APPEALS.

AS A MEMBER OF THE STATE BOARD OF EQUALIZATION, I AM NATURALLY INTERESTED IN THIS LEGISLATION -- BUT I SHOULD ADVISE THE COMMITTEE THAT THE FOLLOWING OPINIONS AND VIEWPOINTS ARE MY OWN AND DO NOT NECESSARILY REFLECT THE POSITION OF THE BOARD, OF WHICH I AM A MEMBER.

I HAVE EXAMINED THE LEGISLATION IN QUESTION AND I HAVE CONCLUDED THAT THE BILLS PRESENT A SENSIBLE, RATIONAL AND LOGICAL APPROACH TO SATISFYING TWO OF THE MANDATORY PROVISIONS OF THE NEW CONSTITUTION. HOWEVER, ON CLOSE EXAMINATION I FIND SOME AREAS FOR POSSIBLE AMENDMENT WHICH IN MY ESTIMATION, WOULD IMPROVE THE BILLS AND BETTER CARRY OUT THE OBJECTIVES OF THE LEGISLATION.

I HAVE DISCUSSED SOME POSSIBLE AMENDMENTS WITH YOUR SUB-COMMITTEE ON H.B. 16. I PRESUME THAT THE SUB-COMMITTEE WILL BRING THESE TO YOUR ATTENTION IN YOUR FURTHER CONSIDERATIONS OF THESE BILLS, BECAUSE THEY ARE NECESSARY IMPROVEMENTS. IF I CAN BE OF ANY FURTHER ASSISTANCE TO THE COMMITTEE IN CONSIDERING THESE PROPOSED AMENDMENTS, I AM AVAILABLE AT ANY TIME. I HAVE ALSO LEFT ONE SUGGESTED AMENDMENT WITH MR. HEALY, WHOSE SUB-COMMITTEE HAD H.B. 15.

THE REQUIREMENT FOR THE TAX APPEAL BOARD ORIGINATES FROM THE ARGUMENT THAT IT IS IMPROPER FOR A BOARD WHICH ADMINISTERS THE TAX LAWS, MAKES TAX ASSESSMENTS, RULES, REGULATIONS, AND ISSUES ORDERS,

TO SIT IN JUDGMENT OF THE SAME WHEN SITTING AS AN HEARING BOARD AND WHEN APPEALS ARE BROUGHT BEFORE IT BY A DISSATISFIED AND PROTESTING PUBLIC. THE ARGUMENT BEING, OF COURSE, THAT THERE IS A BUILT-IN CONFLICT OF INTEREST IN SUCH A SITUATION, AND THIS WAS THE COMPELLING INFLUENCE WHICH PROMPTED THE CONSTITUTIONAL CONVENTION TO ADOPT ARTICLE VIII, SECTION 7 WHICH REQUIRES AN INDEPENDENT APPEAL PROCEDURE FOR TAXPAYER GRIEVANCES, WITH A REVIEW ON THE LOCAL LEVEL.

HOUSE BILL 16 ACCOMPLISHES THIS AND SATISFIES THIS CONSTITUTIONAL MANDATE BY CONVERTING THE PRESENT STATE BOARD OF EQUALIZATION TO A STATE BOARD OF TAX APPEAL, COMPLETELY SEPARATED FROM THE DEPARTMENT OF REVENUE. THIS IS A SENSIBLE AND LOGICAL APPROACH BECAUSE THE MEMBERS OF THE BOARD OF EQUALIZATION ARE, BY VIRTUE OF THEIR PREVIOUS DUTIES, KNOWLEDGEABLE IN MATTERS THAT WILL LOGICALLY COME BEFORE A TAX APPEAL BOARD.

ANOTHER IMPORTANT REASON FOR THE PROPOSED CONVERSION IS FROM THE STANDPOINT OF COST. HERE WE ALREADY HAVE A QUALIFIED BOARD THAT IS FUNDED BY STATE APPROPRIATION. WHY HAVE THE ADDITIONAL EXPENSE OF FUNDING STILL ANOTHER BOARD?

IT MAY BE ARGUED THAT PERHAPS THERE IS INSUFFICIENT WORKLOAD FOR THE STATE TAX APPEAL BOARD TO BE A FULLTIME BOARD -- SO LET US CONSIDER THAT THERE PRESENTLY IS A SIZEABLE NUMBER OF HEARINGS AND APPEALS BY THE BOARD REGARDING PROPERTY TAX VALUATION, PROPERTY CLASSIFICATION, APPEALS FROM THE VARIOUS DIVISIONS OF THE DEPARTMENT OF REVENUE WHICH ADMINISTERS OVER 20 SEPARATE LICENSE TAXES, AS WELL AS VALUATION HEARINGS ON RAILROAD AND PUBLIC UTILITY ASSESSMENTS. AND, MANY PEOPLE ARE OF THE OPINION THAT WHEN THE STATE BECOMES MORE INTIMATELY INVOLVED IN VALUATION AND ASSESSMENT OF REAL PROPERTY, WE WILL SEE A GREAT MANY MORE TAXPAYER PROTESTS REACHING THE STATE LEVEL.

THERE IS PENDING, OR TO BE INTRODUCED, LEGISLATION WHICH WILL ABOLISH THE LIQUOR CONTROL BOARD. IF THIS LEGISLATION PASSES, IT WILL PROVIDE AMONG OTHER THINGS THAT, "THE STATE BOARD OF EQUALIZATION SHALL ACT IN A QUASI-JUDICIAL CAPACITY FOR THE HEARING OF DISPUTES CONCERNING THE ADMINISTRATION OF MONTANA'S LIQUOR AND BEER LAWS, INCLUDING PROTESTS OVER THE ISSUANCE, TRANSFER, SUSPENSION, OR REVOCATION OF BEER OR LIQUOR LICENSES." IN CHECKING WITH THE LIQUOR ADMINISTRATOR, I FIND THAT MATTERS THAT WOULD HAVE COME BEFORE THE APPEAL BOARD IN 1971-72, NUMBERED 177, AND IN THE YEAR PREVIOUS, 1970-71, NUMBERED 158. SO, THESE WOULD BECOME ADDITIONAL DUTIES FOR THE TAX APPEAL BOARD.

THERE IS ALSO, AT THE PRESENT TIME, UNDER CONSIDERATION, A PROPOSAL TO CREATE WITHIN THE DEPARTMENT OF REVENUE, A CENTRAL COLLECTION AGENCY TO SERVE ALL STATE AGENCIES IN THE COLLECTION OF ALL FEES DUE THE STATE OF MONTANA. MANY OF THESE ARE OF SUCH A NATURE THAT THEY ARE BOUND TO GENERATE DISPUTES WHICH WILL END UP BEFORE THE APPEAL BOARD.

THE STATE APPEAL BOARD, UNDER THIS LEGISLATION BEFORE US, IS TO PROMULGATE RULES AND REGULATIONS FOR THE ORGANIZATION AND OPERATION OF THE COUNTY APPEAL BOARDS.

IT STANDS TO REASON THAT IF YOU ARE TO HAVE A KNOWLEDGEABLE AND PROFESSIONAL APPEAL BOARD THAT WILL RENDER FAIR AND JUST DECISIONS IN THE MATTERS TO COME BEFORE THEM, MANY OF WHICH INVOLVE COMPLEX CONSIDERATIONS -- THAT BOARD WILL BE REQUIRED TO DO MUCH TIME CONSUMING RESEARCH AND STUDY.

I SEE THE STATE TAX APPEAL BOARD BEING DEVELOPED INTO A MOST IMPORTANT AND MEANINGFUL BOARD. ONE THAT IS IMPORTANT TO THE STATE OF MONTANA AND THE TAXPAYING PUBLIC ALIKE. WE HEAR MUCH TALK

THESE DAYS ABOUT THE NEED FOR GOVERNMENT TO BECOME MORE RESPONSIVE TO THE PEOPLE. IN THE TAX APPEAL BOARD, I SEE A VERY REAL RESPONSE BY STATE GOVERNMENT TO THE NEEDS OF THE PEOPLE.

SO WHAT IF WE WERE TO RETAIN THE PRESENT STATE BOARD OF EQUALIZATION IN ITS PRESENT ROLE AS HEAD OF THE DEPARTMENT OF REVENUE AND CREATE A NEW AND SEPARATE APPEAL BOARD. WHEN YOU TRANSFER ALL OF THE APPEAL AND HEARING DUTIES OF THE EQUALIZATION BOARD TO THE OTHER APPEAL BOARD, YOU WILL HAVE DILUTED THE POWERS AND DUTIES OF THE BOARD OF EQUALIZATION TO A POINT THAT IT BECOMES MEANINGLESS.

TRUE, WE WOULD BE HEAD OF THE DEPARTMENT OF REVENUE AND PROBABLY INVOLVED IN THE STATE PROPERTY ASSESSMENT PROGRAM --- NEITHER ONE OF WHICH NEEDS A THREE MEMBER BOARD TO FUNCTION EFFICIENTLY.

AS LONG AS THERE IS A TAX APPEAL BOARD TO WHICH AN AGGRIEVED TAXPAYER HAS EASY ACCESS, THERE IS NO NEED FOR THREE MEMBER BOARD SUPERVISION AT ANY LEVEL OF THE DEPARTMENT OF REVENUE.

SINCE CLOSELY OBSERVING THE OPERATION OF THE DEPARTMENT OF REVENUE FOR THE PAST 14 MONTHS UNDER EXECUTIVE REORGANIZATION, I AM CONVINCED THAT GREATER EFFICIENCY IN GOVERNMENT, WHICH IS A PRIMARY OBJECTIVE OF EXECUTIVE REORGANIZATION, CAN BE ACHIEVED BY HAVING A SINGLE MEMBER ADMINISTRATOR HEAD THE DEPARTMENT -- NAMELY; THE DIRECTOR OF REVENUE. AFTER ALL, HE ONLY ADMINISTERS THE TAX LAWS IN THE MANNER PRESCRIBED BY THE LEGISLATURE -- AND SO, IT SHOULD BE -- AS IT IS IN MOST OTHER STATES.

AND FINALLY, AS TO THE PROVISION FOR THE STATE TAKING OVER THE APPRAISAL AND ASSESSMENT OF REAL PROPERTY, WITH THE COUNTY ASSESSORS AS THE STATES AGENTS, ALL I CAN SAY IS "IT'S ABOUT TIME." UNDER WHATEVER PLAN OR WHATEVER MEANS THAT IS FINALLY ADOPTED -- WE CANNOT EVER HAVE UNIFORMITY OF ASSESSMENT AND TRUE EQUALIZATION

UNTIL THE STATE HAS COMPLETE CONTROL OF THE TOTAL PROGRAM. THE CONSTITUTION CONVENTION ACTED WISELY WHEN THEY WROTE THIS MANDATORY PROVISION IN THE NEW DOCUMENT, AS WELL AS THE ONE FOR TAX APPEAL PROCEDURE.

IN CLOSING, I STATE WITHOUT ANY HESITATION THAT IN MY ESTIMATION, HOUSE BILLS 15, 16 AND 17 DO TWO VERY IMPORTANT THINGS -- THEY SATISFY TWO MANDATORY PROVISIONS OF THE NEW CONSTITUTION AND AT THE SAME TIME, BRING ABOUT MORE EFFICIENCY IN STATE GOVERNMENT.

I HEARTILY RECOMMEND THEM FOR YOUR FAVORABLE CONSIDERATION WITH SOME NECESSARY AMENDMENTS WHICH ARE WITH YOUR SUB-COMMITTEES.

SENATE COMMITTEE TAXATION

Date 7/8 -71 Bill No. 16 Time 1:30

NAME	YES	NO
Luke Mc Keon	<i>ck</i>	
Gordon Mc Gowan		
Gordon Mc Omber		
Dave Manning		
Leonard Vainio		
George Bennett		
Fred Broeder	<i>yes</i>	
Herb Klindt		
William Mathers		
Jean Turnage		
Stanley Nees		

SK
Secretary Sylvia Kinsey

Stanley
Chairman Stanley Nees

Motion: *Carried*

SENATE COMMITTEE TAXATION

Date 2/3 Bill No. 11 Time 1:11

NAME	YES	NO
Luke Mc Keon	☒	
Gordon Mc Gowan		
Gordon Mc Omber		
Dave Manning		
Leonard Vainio		
George Bennett		
Fred Broeder		
Herb Klindt		
William Mathers		
Jean Turnage		
Stanley Nees		

Secretary Sylvia Kinsey

Chairman Stanley Nees

Motion: Carried

SENATE COMMITTEE TAXATION

Date 5/8 44 Bill No. 16 Time 1:18

NAME	YES	NO
Luke Mc Keon	<u>✓</u>	
Gordon Mc Gowan		
Gordon Mc Omber	<u>✓</u>	
Dave Manning		
Leonard Vainio		
George Bennett		
Fred Broeder	<u>✓</u>	
Herb Klindt	<u>✓</u>	
William Mathers	<u>✓</u>	
Jean Turnage		
Stanley Nees		

SK
Secretary Sylvia Kinsey

Nees
Chairman Stanley Nees

Motion: Cliff Burton 16

The Senate Committee on Taxation met in room 415 of the State Capitol at 7:30 A.M. on Thursday, March 8. Roll call was taken with enough members present for a quorum and the meeting was called to order at 7:42 by Senator Nees, Chairman. Senator McGowan, chairman of the subcommittee on taxation to handle House Bills 15, 16 and 17 said the committee was ready to report and asked Senator Turnage to do so.

Senator Turnage read the recommendations from the subcommittee for House Bill 15 and moved the amendments. Seconded by Senator McGowan, voted and passed.

Senator Turnage moved House Bill 15 be concurred in as amended. Seconded by Senator McGowan, voted and passed.

Senator Turnage explained the proposed amendments for House Bill 16, and moved the amendments. Voted and passed.

Senator Turnage moved an amendment for clarification on House Bill 16, seconded by Senator Bennett, voted and passed, Senator McOmber voted no.

Senator Turnage voted House Bill 16 as amended be concurred in. Voted and passed.

Senator Turnage explained the proposed amendments for House Bill 17 and moved the amendments. Voted and passed with the second by Senator McGowan.

Senator Turnage moved House Bill 17 be concurred in as amended, seconded by Senator McGowan, voted and passed.

Representative Hager explained House Bill 58 and passed out exhibit 1, 2 and 3. Everett Snortland, Montana Farm Bureau, Bob Helling, St. Regis Paper Company, Gordon Herrin, Helena Valley Rancher and Dean Zennecker, Montana County Commissioners Association spoke in favor of the bill.

Opponents of the bill were Frank Moze, offering the following amendments, on Page, 3, line 19 after the word "October 1" to insert the word "upon"; on page 5, line 24 after the word "multiplying" to insert the words "The taxable value computed from", and said there was no grandfather clause so they would have to reassess.

Vern Miller suggested an amendment on page 1, line 18-22 to define assessment.

Representative Hager answered with rebuttal, and questions were asked by the committee and answered. Senator Boylan gave a brief explanation of the 5 and 10 acre plots in a greenbelt area.

Representative Greely explained House Bill 519 as an attempt to find out how many people were paying taxes on campers in the State of Montana.

Representative Hager said he had a particular interest in the bill in

1973
senate

BILL NO. SENATE	ENTILED COPY.	COMMITTEE ON TAXATION							
		OUT OF COM.	DO PASS	DO NOT PASS	DO PASS AS AMENDED	BE CON- CURRED IN	BE CONCURRED IN AS AMENDED	BE NOT CONCURRED IN	
438	1/30	2/13		x					Killed
454	2/12	2/15	x						
455	2/12	2/15	x						
470	3/13	3/15			x				
SJR 18 HOUSE	1/18	2/10	x						S by G
15	2/22	3/8					x		
16 ✓	2/7	3/8					x		
17	2/7	3/8					x		S by G
36	1/27	3/6							Hold
52	1/22	2/22							Hold
58	2/3								HELD
61	1/18	2/12							tr- S by G
68	1/20	3/1					x		S by G
96	2/10	2/27					x		S by G
108	2/3	3/1					x		
119	2/7	2/27						x	Killed
146	2/8	3/8					x		
192	2/1	2/22							Hold
193	2/26	3/6							Hold
254	2/7	3/16				x			
314	2/9	3/6				x			S by G
321	2/9	2/27				x			S by G
322	2/7	3/1				x			S by G

January 10-, 1973

(CONT.)

part. At 12:50 the formal hearing ended; however, Chairman Watt stated that those interested in remaining for the actual committee meeting would be free to do so but would not be allowed to take part in any further discussion.

As the first order of business during the committee meeting, Chairman Watt informed the members that Keith Colbo, the present Director of Revenue, was present and available for any discussion concerning bills sixteen (16) and seventeen (17). He discussed sales ratio studies on single family swellings and the coefficient of dispersion, which he had figures and examples of to explain.

As the last order of business for the day, Chairman Watt suggested that all members study the amendments to House Bill sixteen (16) that were passed out at the beginning of the meeting, and bring to subsequent meetings for discussion. The amendments were proposed by Thomas Towe and Gorham Swanberg.

Chairman Watt Stated we would hear House Bill thirty-six (36) tomorrow, January 11.

There being no further business the meeting adjourned at 1:20 p.m.


Robert D. Watt,
Chairman

January 16, 1973

TAXATION COMMITTEE (Subcommittee meeting)

Those present on the subcommittee studying House Bill sixteen (16) at 9 a.m. were Chairman Wallace Edland, James Burnett and Thomas Towe. There were several others present to discuss and hear the bill.

A. G. Slattery supported the bill but with certain amendments, one of which would be to have an advisory board of some kind as a check and balance system to lessen the fear of too much power resting with one person. Dennis Burr interjected that the reorganization law allows for an advisory board to implement the constitution. Slattery claimed that other than the above provision, he basically supports the bill. However, Keith Colbo, the present Director of Revenue said he does not see the board that Mr. Slattery is discussing as an advisory board, but rather a policy-making board, and that reorganization definitely calls for an advisory board.

Dean Zinnicker feels local assessment should be handled at a local level, but with the state's intervention if the job does not get handled properly. Also, he and others felt that if the present county officials had more money to deal with, they would have a much more efficient operation. Keith Colbo stated that under the present system, only fourteen counties are paying their required one (1) mill levy, so how could they be expected to collect a required two (2) mill levy. He further stated that although some claim the counties are doing a sufficient job within the county, this is not true.

Chairman Edland said that Thomas Towe had read part of the hearings of the constitutional convention at the committee meeting of January 15, and that those hearings specifically indicated that assessment was to be accomplished at the state level -- not by county officials. Because of this, he stated it is the committee's duty to pass House Bill sixteen (16) to implement the constitution, and during the interim have the bill carefully studied so that next session flaws can be changed. Since the bill is statutory, it can be changed each session.

A main argument between opposing groups is the power vested with one Director of Revenue. Keith Colbo argued that although the Governor appoints the Director, he also has the power to remove. He added there is a further check and balance system by an independent appeal process, and also most importantly the power to tax has not been taken away from the county commissioners -- only the power to assess would change.

(CONT.)

January 16, 1973

(CONT.)

It was the opinion as expressed by Thomas Towe that because there would be an appeals board both at the county level and at the state level that the public would, in reality, be more protected than under the present system. Dean Zinnicker questioned this by asking what real authority does House Bill sixteen (16) give to each appeal board.

Because there was another subcommittee meeting of Finance and Claims scheduled in the same room at 10 a.m., the subcommittee on taxation adjourned and the bill was further discussed in committee meeting of the same day.

January 17, 1973

TAXATION COMMITTEE

The meeting was called to order by Chairman Robert D. Watt at 8:10 a.m., with all members present.

Because House Bill thirty-six (36) was the first bill to be acted upon, the chair was temporarily turned over to Vice Chairman John E. Healy. Mr. Watt proceeded to explain the proposed amendments to his bill, and then moved that they be adopted. His motion was seconded by Thomas Towe. The amendments passed, with Harrison Fagg the only member voting against them. Rep. Watt next moved that House Bill thirty-six (36) as amended do pass, and Rep. Towe seconded the motion. Before the final roll-call vote, however, a question-answer period ensued concerning the bill, with most of the questions directed to Mr. Watt. Some closing comments were made by Mr. Watt at this point. He stressed that while no bill is perfect, this bill' is workable and can be amended in future sessions to iron out present flaws. Finally, the members voted, and the bill was passed in committee, with the following no votes: James Burnett, Harrison Fagg, Allen Kolstad, Conrad Lundgren, Gorham Swanberg, John Tierney, and Walter Ulmer. The chair was again turned over to Chairman Watt.

House Bill twenty-two (22) was the next to be discussed. This bill, proposed by Reps. Ainsworth and Gerke, would provide for the manner in which land is to be classified. Because this was a constitutional implementation bill, the discussion proceeded rapidly, and finally the bill was passed with no members voting against it.

Next to be discussed was House Bill sixteen, which is also a constitutional implementation bill. A subcommittee comprised of Chairman Wallace Edland, James Burnett, and Thomas Towe had worked diligently on the bill and recommended a do pass, but with extensive amending. Thomas Towe read and briefly explained each of the proposed amendments, each of which was passed unanimously (Thomas Towe moved adoption of each amendment and James Burnett seconded). Finally, the bill itself passed in committee as amended. (However, before the bill reached the floor some members of committee expressed other questions and possible amendments, so the entire bill will be held for final committee approval until Thursday, January 18, at 8 a.m..)

There being no further business, the meeting adjourned at 9:55 a.m.

Robert D. Watt,
Chairman

John E. Healy,
Vice Chairman

January 18, 1973

TAXATION COMMITTEE

The meeting was called to order by Chairman Robert D. Watt at 8:15 a.m., with thirteen members present (Absent Fagg and Kolstad).

House Bill fifteen (15) was referred back to committee for amendment. James Burnett explained what this would entail; however, Dan Yardley moved fifteen (15) be passed for consideration until House Bills sixteen (16) and seventeen (17) are decided upon also. Conrad Lundgren seconded the motion and it was passed unanimously.

Although sixteen (16) had apparently passed in committee yesterday, January 17, there were oversights as to the amendments and they were not all proposed to the committee members, so there ensued more discussion concerning the bill. Wallace Edland, chairman of the subcommittee appointed to study House Bill sixteen (16) briefly explained his proposed amendments, and also called on Dennis Burr to more fully explain the reasoning behind them. Burr stated that the two (2) mills now provided for will not be sufficient, and will leave an approximate \$900,000 deficiency balance; however, he continued, the three (3) mills would only be as a replacement tax. Wallace Edland then moved that his first two amendments be adopted, and the motion was seconded by James Burnett. Before the vote, however, Walter Ulmer questioned the amendments as possibly setting up a "slush" fund. This appeared to trouble other members, and a rather lengthy discussion concerning this matter followed. No definite decision was made. Again Gorham Swanberg moved that the amendments pass, which was seconded by Wallace Edland; however, immediately after this motion was made, Walter Ulmer moved that the amendments be held for further study -- and further stated that he would have other amendments to propose on the January 19 meeting. The motion was seconded by Dan Yardley, and the second motion passed; therefore, amendments to House Bill sixteen (16) will again be taken up at tomorrow's meeting.

James Burnett briefly explained his particular amendments to House Bill seventeen (17) and stated that Senator McGowan was present to take note of the proceedings (later in the meeting, Senator McGowan made brief comments relative to the matter). Dan Yardley stated that the subcommittee

(CONT.)

January 19, 1973

TAXATION COMMITTEE

The meeting was called to order by Chairman Robert D. Watt at 8:10 a.m., with thirteen members present (Absent, Kolstad and Lundgren).

The business of the meeting was to conclude action on House Bills fifteen (15), sixteen (16), and seventeen (17). As per his motion of January 18, Walter Ulmer presented the committee with two (2) of his proposed amendments which would make the bill more desirable in his thinking. As an alternative, Thomas Towe also presented a proposed amendment; however, as Chairman Watt pointed out, the proposals were not in conflict and either or both could be adopted. The motion to adopt Mr. Ulmer's first amendment carried unanimously. Before the vote on Mr. Towe's amendment, however, some discussion ensued between the committee members, some of whom felt his proposal would leave the maximum mill levy too wide open. Finally the motion was voted upon and passed, with James Burnett casting the only no vote. Mr. Ulmer's second amendment was then voted upon and passed unanimously.

Ora Halvorson made a motion to amend page 23, line 20, after the word "fund." to strike all material through the word "act" on line 22. A discussion then took place among members of committee, and Mrs. Halvorson withdrew her motion.

Since Mr. Edland's proposed amendments for sixteen (16) were not acted upon yesterday, January 18, Mr. Swanberg moved that the first two (2) of them be adopted, which in both cases would change the wording on page 23, lines 12 and 15 from "classification and appraisal fund" to "property tax administration fund". Thomas Towe seconded the motion and it passed unanimously. Mr. Towe proposed one last amendment to the bill on page 23, line 20, by striking the words "such fund" and inserting in lieu thereof the words "the state treasurer". The amendment passed unanimously.

Finally, Gorham Swanberg moved that as amended, House Bill sixteen (16) Do Pass; however, James Burnett made a substitute motion that members have amended material incorporated with the bill to better be able to study it before final passage. In response, Mr. Swanberg suggested that the eighteenth day is fast approaching, and instead of further delaying action on these cumbersome bills, the committee proceed. Burnett's motion lost -- Burnett cast the only aye vote. The motion by Mr. Swanberg to pass House Bill sixteen (16) as amended did pass, with James Burnett being the only no vote.

(CONT.)

January 18, 1973

(CONT.)

studying House Bill seventeen (17) had agreed to allow James Burnett to present his proposed amendments to the committee, although Mr. Burnett was not a subcommittee member, and he further stated that the complete presentation of House Bill seventeen (17) by the subcommittee would be at tomorrow's meeting, January 19.

Getting back to House Bill sixteen (16), Thomas Towe had more amendments to propose. He briefly explained all of them, each of which was adopted unanimously by the committee members.

Chairman Watt reminded the members there would be a hearing on House Bill ninety-six (96) at 12 noon of the same day, and that there would be an executive meeting at 8 a.m. tomorrow, January 19 at which time the committee would cover House Bills fifteen (15), sixteen (16), and seventeen (17).

There being no further business, the meeting adjourned at 9:20 a.m.


Robert D. Watt,
Chairman

a part of a state-controlled system of public employment offices, or such other free public employment offices operated and maintained by the United States government or its instrumentalities, as the *division* may approve.

(l) "Fund" means the unemployment compensation fund established by this act, to which all contributions *and payments in lieu of contributions* are required and from which all benefits provided under this act shall be paid.

(m) "State," includes, in addition to the states of the United States of America, the District of Columbia, Puerto Rico, the Virgin Islands, and the Dominion of Canada.

(n) "Institution of higher education" for the purposes of this section, means an education institution which:

(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized in this state to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(4) is a public or other nonprofit institution.

(5) Notwithstanding any of the foregoing provisions of this subsection, all colleges and universities in this state are institutions of higher education for purposes of this section.

(o) "Hospital" means an institution which has been licensed, certified or approved by the state of Montana as a hospital.

(p) "Board" means the board of labor appeals, provided for in title 82A, chapter 10."

Approved: March 21, 1973.

CHAPTER NO. 405

An Act to Provide for a General Revision of the Tax Laws of Montana to Implement Article VIII, Sections 3 and 7 of the

1972 Montana Constitution by Designating the State Department of Revenue as the Tax Administration Agency for the State of Montana, by creating a State Tax Appeal Board, by Designating County Assessors as Agents of the State Department of Revenue, and by Providing for County Tax Appeal Boards; and to Repeal Sections 84-211, 84-429.10, 84-443, 84-444, 84-445, 84-446, 84-447, 84-453, 84-502, 84-503, 84-4732, 84-4733, 84-4734, and 84-4735.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 84-301, R.C.M. 1947, is amended to read as follows:

"84-301. **Classification of property for taxation.** For the purposes of taxation the taxable property in the state shall be classified as follows:

Class One. The annual net proceeds of all mines and mining claims, after deducting only the expenses specified and allowed by section 84-5403; also where the right to enter upon land, to explore or prospect, or dig for oil, gas, coal or mineral is reserved in land by any person or corporation, the surface title to which has passed to another, *the state department of revenue* shall determine the value of the right to enter upon said tract of land for the purpose of digging, exploring, or prospecting for gas, oil, coal or minerals, and the same shall be placed in this classification for the purpose of taxation.

Class Two. All household goods and furniture, including clocks, musical instruments, sewing machines, wearing apparel of members of the family, and all personal property actually used by the owner for personal and domestic purposes, or for the furnishing or equipment of the family residence; all agricultural and other tools, implements and machinery, gas and other engines and boilers, threshing machines and outfits used therewith, automobiles, motor trucks and other power-driven cars, vehicles of all kinds except mobile homes, boats and all watercraft, harness, saddlery and robes and except as provided in Class Five (b) of this section, all poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by all persons, firms, corporations, and other organizations which are engaged in the business of furnishing telephone communications, exclusively to rural areas, or to rural areas and cities and towns provided that any such city or town has a population of eight hundred (800) persons or less; and provided further that the average circuit miles for each station on the system is more than one and one-quarter ($1\frac{1}{4}$) miles.

Class Three. Livestock, poultry and unprocessed products

of both; stocks of merchandise of all sorts, together with furniture and fixtures used therewith, except mobile homes; and all office or hotel furniture and fixtures.

Class Four. (a) All land, town and city lots, with improvements, and all trailers affixed to land owned, leased, or under contract or purchase by the trailer owner, manufacturing and mining machinery, fixtures and supplies, except as otherwise provided by the constitution of Montana, and except as such property may be included in Class Five, Class Seven or Class Eight.

(b) Mobile homes without regard to the ownership of the land upon which they are situated, except those held by a distributor or dealer of mobile homes as part of his stock in trade, and except as such property may be included in Class Eight.

Class Five. (a) All moneys and credits, secured or unsecured, including all state, county, school district and other municipal bonds, warrants and securities, without any deduction or offset; provided, however, that the terms "moneys and credits" as herein used shall not embrace the moneyed capital employed in the banking business by any banking corporation or individual in this state.

(b) All poles, lines, transformers, transformer stations, meters, tools, improvements, machinery and other property used and owned by co-operative rural electrical and co-operative rural telephone associations organized under the laws of Montana except those within the incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers and/or telephone users are served by a co-operative organization, and as to the property enumerated in this subsection (b) within incorporated limits of a city or town in which less than ninety-five per cent (95%) of the electric consumers or users will be served by a co-operative organization, such property shall be put in Class Two.

(c) All unprocessed agricultural products either on the farm or in storage, irrespective of whether said products are owned by the elevator, warehouse or flour mill owner or company storing the same, or any other person whomsoever, and excepting live-stock and poultry and the unprocessed products of both.

(d) The dwelling house, and the lot on which it is erected, owned and occupied by any resident of the state, who has been honorably discharged from active service in any branch of the armed forces, who is rated one hundred per cent (100%) disabled due to a service-connected disability by the United States veterans administration or its successors.

In the event of the veteran's death, the dwelling house, and the lot on which it is erected, so long as the widow remains unmarried and the owner and occupant of the property, shall remain within this classification.

Class Six. Property formerly included in this class is now classified by section 84-308, R.C.M. 1947.

Class Seven. (a) All new industrial property. New industrial property shall mean any new industrial plant, including land, buildings, machinery and fixtures which, in the determination of the state *department of revenue*, is used by a new industry during the first three (3) years of operation not having been assessed prior to July 1, 1961, within the state of Montana. New industry shall mean any person, corporation, firm, partnership, association, or other group which establishes a new plant or plants in this state for the operation of a new industrial endeavor, as distinguished from a mere expansion, reorganization, or merger of an existing industry or industries. Provided, however, that new industrial property shall be limited to industries that manufacture, mill, mine, produce, process or fabricate materials, or do similar work in which capital and labor are employed and in which materials unserviceable in their natural state are extracted, processed or made fit for use or are substantially altered or treated so as to create commercial products or materials; and in no event shall the term new industrial property be included to mean property used by retail or wholesale merchants, commercial services of any type, agriculture, trades or professions. And provided further, that new industrial property shall not be included to mean property which is used or employed in any industrial plant which has been in operation in this state for three (3) years or longer. Any person, corporation, firm, partnership, association or other group seeking to qualify its property for inclusion in this class shall make application to the state *department of revenue* in such manner and form as may be required by said *department*.

Class Eight. Any improvement on real property, trailers, affixed to land or mobile home belonging to any person who qualifies under any one or more of the hereinafter set forth categories, valued at not more than seventeen thousand five hundred dollars (\$17,500), which is owned or under a contract for deed, and which is actually occupied by:

(1) a widow sixty-two (62) years of age or older, whether with or without minor dependent children, who qualifies under the income limitations of (4), or

(2) a widower sixty-five (65) years of age or older, whether

with or without minor dependent children, who qualifies under the income limitations of (4), or

(3) a widow with minor or dependent children regardless of age, who qualifies under the income limitations of (4), or

(4) a recipient of retirement benefits whose income from all sources is not more than four thousand dollars (\$4,000) for a single person and five thousand two hundred dollars (\$5,200) for a married couple per annum. Provided, further, that one who applies for classification of property under this class must make an affidavit to the *state department of revenue* on a form as may be provided by the *state department of revenue* supplied without cost to the applicant, as to his income, if applicable, as to his retirement benefits, if applicable, or, as to his marital status, if applicable, and to the fact that he or she actually occupies such improvements with right of the county welfare board to investigate the applicant, on the completion of the form, as to answers given on the form. Provided, further, that the value of said property shall not increase during the life of the recipient of retirement benefits or widow or widower covered under this class.

Class Nine. Freeport merchandise. Freeport merchandise means those stocks of merchandise manufactured or produced outside this state which are in transit through this state and consigned to a warehouse or other storage facility, public or private, within this state, for storage in transit prior to shipment to a final destination outside the state, and which have acquired a taxable situs within the state.

Stocks of merchandise do not lose their status as freeport merchandise because while in the storage facility they are assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

Any person, corporation, firm, partnership, association, or other group seeking to qualify its property for inclusion in this class shall make application to the *state department of revenue* in such manner or form as may be required by said *department*.

The *state department of revenue* shall establish standards, rules and regulations for assessing freeport merchandise.

Class Ten. All property not included in the nine (9) preceding classes."

Section 2. Section 84-402, R.C.M. 1947, is amended to read as follows:

"84-402. *Department of revenue to determine and show percentage basis and taxable value computed thereon and county*

assessor to be agents of the state department of revenue. (1) The percentage basis of true and full value as provided for in section 84-302, shall be determined and assigned by the state department of revenue or its agents, and the taxable value thereupon computed when they make their annual assessments, and copies of such assessments as provided for in section 84-411 shall show the taxpayer the percentage class to which his various classes of property for taxation and the taxable valuation thereof have been assigned.

(2) The county assessors of the various counties of the state of Montana are agents of the state department of revenue for the purpose of locating and providing the department a description of all taxable property within the county together with other pertinent information; and for the purpose of performing such other administrative duties as are required for placing taxable property on the assessment roles. The assessors shall perform such other duties as are required by law, not in conflict with the provisions of this subsection.

(3) The department of revenue shall have full charge of appraising all property subject to taxation and equalizing values and shall secure such personnel as is necessary to properly perform their duties.

(4) The salaries of the county assessor shall be the same amount as provided by law for the salary of the county clerk and recorder; deputy assessors' salaries shall be the same as paid the deputy clerk and recorder.

(5) The county commissioners of the various counties shall provide existing office space in the county courthouse for use by the county assessor, his deputies and staff and the state appraiser and staff, if such space is reasonably available; if such space is not reasonably available in the courthouse and the same must be contracted for, the department shall pay the cost thereof. Additional personal property required by the department for the assessor to perform his duties as agent of the department shall be provided by the department."

Section 3. Section 84-403, R.C.M. 1947, is amended to read as follows:

"84-403. **Appeal for taxpayer aggrieved at percentage assignment.** If any taxpayer shall feel aggrieved at the percentage assignment so made by the *department of revenue or its agent*, he shall have the right to appeal to the county *tax appeal board*, on the percentage assignment the same as he now has on valuations, and also, the right to appeal from the county *tax appeal board* to the state *tax appeal board*, whose findings shall be final except as to, the right of review in the proper courts."

Section 4. Section 84-406, R.C.M. 1947, is amended to read as follows:

"84-406. Time of assessment—motor vehicles—mobile homes—livestock—snowmobiles. (1) The *department of revenue or its agent* must, between the first Monday of March and the second Monday of July in each year, ascertain the names of all taxable inhabitants, and assess all property in *each* county subject to taxation, except such as is required to be assessed by the state *department of revenue*, and must assess such property to the persons by whom it was owned or claimed, or in whose possession or control it was at 12 midnight of the first Monday of March next preceding. It must also ascertain and assess all mobile homes arriving in his county after 12 midnight of the first Monday of March next preceding. The procedure provided by this section shall not apply to:

(a) Motor vehicles which are required by subdivision (2) hereof to be assessed as of the first day of January; but no mistake in the name of the owner or supposed owner of real property renders the assessment thereof invalid.

(b) Livestock being fed in feeding pens or enclosures which may by subdivision (3) of this section be assessed on an average inventory basis. Credits must be assessed as provided in section 84-101, subdivision 6.

(c) Property defined in section 53-642 as "special mobile equipment" shall be subject to assessment of personal property taxes either on the date that application is made for a special mobile equipment plate, if that date falls between the first day of January and the first Monday of March, or on the first Monday of March.

(d) Mobile homes held by a distributor or dealer of mobile homes as a part of his stock in trade.

(e) Snowmobiles which are required by subdivision 4 hereof to be assessed as of the first day of January.

(2) The *department or its agent* must ascertain and assess all motor vehicles, except mobile homes, in *each* county subject to taxation as of January 1 in each year, and the same shall be assessed to the persons by whom owned or claimed, or in whose possession or control such vehicle was at 12 midnight of the first day of January in each year. Provided that such tax shall not be assessed against motor vehicles which constitute inventory of motor vehicle dealers as of January 1, but said vehicles, and all other motor vehicles brought into the state subsequent to January 1, as motor vehicle dealer's inventory, shall be assessed to their respective purchasers as of the dates said vehicles are registered by said purchasers, and purchasers means and includes dealers who apply for registration

or re-registration of motor vehicles, except as otherwise provided by section 32-3315. Goods, wares and merchandise of motor vehicle dealers, other than new motor vehicles and new mobile homes, shall continue to be assessed at full and true value as of the first Monday of March.

Except that this paragraph shall not apply to an applicant for registration or re-registration of a mobile home, nothing herein contained shall relieve the applicant for registration or re-registration of any other motor vehicle so assessed or subject to assessment of the duty of paying taxes thereon as a condition precedent to registration or re-registration in the event said taxes have not been paid by any prior applicant or owner in all cases where required to be paid.

(3) The assessed value of livestock being fed in feeding pens or enclosures on the first Monday in March may be computed by adding the value of livestock more than six (6) months of age being fed on the last day of each month since the last assessment date and dividing the sum by twelve (12).

(4) The *department of revenue or its agent* must ascertain and assess all snowmobiles in *each* county subject to taxation as of January 1 in each year, and the same shall be assessed to the persons by whom owned or claimed, or in whose possession or control such snowmobile was at 12 midnight of the first day of January in each year; provided, however, that snowmobiles which constitute inventory of snowmobile dealers shall be assessed to the dealers as of 12 midnight of the first Monday of March in each year."

Section 5. Section 84-409, R.C.M. 1947, is amended to read as follows:

"84-409. Statement—what to contain. The *department of revenue or its agent* must require from each person a statement under oath setting forth specifically all the real and personal property owned by such person, or in his possession, or under his control at twelve o'clock m. on the first Monday in March. Such statement must be in writing, showing separately:

1. All property belonging to, claimed by, or in the possession, or under the control or management of such person.

2. All property belonging to, claimed by, or in the possession, or under the control or management of any firm of which such person is a member.

3. All property belonging to, claimed by, or in the possession, or under the control or management of any corporation of

which such person is president, secretary, cashier, or managing agent.

4. The county in which such property is situated, or in which it is liable to taxation, and (if liable to taxation in the county in which the statement is made) also the city, town, school district, road district, or other revenue districts in which it is situated.

5. An exact description of all lands in parcels or subdivisions, not exceeding six hundred and forty acres each, and the sections and fractional sections of all tracts of land containing more than six hundred and forty acres which have been sectionized by the United States government; improvements, and personal property, including all vessels, steamers, and other watercraft, and all taxable state, county, city, or other municipal or public bonds, and the taxable bonds of any person, firm, or corporation, and deposits of money, gold dust, or other valuables, and the name of the persons with whom such deposits are made, and the places in which they may be found; all mortgages, deeds of trust, contracts, and other obligations by which a debt is secured, and the property in the county affected thereby.

6. All solvent credits, secured or unsecured, due or owing to such person or any firm of which he is a member, or due or owing to any corporation of which he is president, secretary, cashier, or managing agent.

Whenever one member of a firm, or one of the proper officers of a corporation, has made a statement showing the property of the firm or corporation, another member of the firm, or another officer, need not include such property in the statement made by him; but this statement must show the name of the person or officer who made the statement in which such property is included.

7. All depots, shops, stations, buildings, and other structures erected on the space covered by the right of way, and all other property owned by any person, corporation, or association of persons, owning or operating any railroad within the county.

The fact that such statement is not required, or that a person has not made such statement under oath, or otherwise, does not relieve his property from taxation."

Section 6. Section 84-410, R.C.M. 1947, is amended to read as follows:

"84-410. *Department of revenue to furnish blanks, etc.* The department of revenue must furnish its agents with blank forms of the statements provided for in the preceding section, affixing thereto an affidavit, which must be substantially as follows: "I,

do swear that I am a resident of the county of(naming it), and that my post-office address is; that the above list contains a full and correct statement of all property subject to taxation, which I, or any firm of which I am a member, or any corporation, association, or company of which I am president, cashier, secretary, or managing agent, owned, claimed, possessed, or controlled at twelve o'clock m. on the first Monday in March last, and which is not already assessed this year; and that I have not in any manner whatsoever transferred or disposed of any property, or placed any property out of said county or my possession for the purpose of avoiding any assessment upon the same, or of making this statement; and that the debts therein stated as owing by me are justly due and owing to others." The affidavit to the statement on behalf of a firm or corporation must state the principal place of business of the firm or corporation, and in other respects must conform substantially to the preceding form. The time when taxes become delinquent, and the time of the meeting of the county *tax appeal board*, must be stated in such form."

Section 7. Section 84-411, R.C.M. 1947, is amended to read as follows:

"84-411. *Statement to be filled out and returned to agent of the department of revenue.* The agent of the department of revenue may fill out the statement at the time he presents it, or he may deliver it to the person and require him, within an appointed time, to return the same to him, properly filled out. The agent must either in person or by mail deliver to the person making the statement a copy of the same, showing any corrections made thereto by the agent.

Section 8. Section 84-412, R.C.M. 1947, is amended to read as follows:

"84-412. *General powers of department of revenue.* The department of revenue has power:

1. To require any person in the state to make and subscribe an affidavit, giving his name and place of residence and post-office address.

2. To subpoena and examine any person in relation to any statement furnished to it, or which discloses property which is assessable in the state; and it may exercise this power in any county where the person whom it desires to examine may be found, but has no power to require such persons to appear before it in any other county than that in which the subpoena is served. Every person who refuses to furnish the statement hereinbefore required, or to make and subscribe such affidavit respecting his name and

place of residence, or to appear and testify when requested so to do by the *department*, as above provided, for each and every refusal, and as often as the same is repeated, forfeits to the people of the state the sum of one hundred dollars, to be recovered by action brought in the name of the *state* in any police or justice's court. In case such affidavit shows the residence of the person making the same to be in any county other than that in which it is taken, or the statement discloses property in any county other than that in which it is made, the *department* must, in the respective case, file the affidavit or statement in its office, and transmit a copy of the same, certified by it, to its agent in the county in which such residence or property is therein shown to be. All moneys recovered under the provisions of this section must be paid into the treasury of the county in which the property is located."

Section 9. Section 84-413, R.C.M. 1947, is amended to read as follows:

"84-413. **Method of making assessment upon refusal of statement.** If any person, after demand made by the *department of revenue*, neglects or refuses to give, under oath, the statement herein provided for, or to comply with the other requirements of this title, the *department* must note the refusal on the assessment book opposite his name, and must make an estimate of the value of the property of such person, and the value so fixed by the *department* must not be reduced by the county tax appeal board."

Section 10. Section 84-414, R.C.M. 1947, is amended to read as follows:

"84-414. **Assessment of unknown or absent owners.** If the owner or claimant of any property, not listed by another person, is absent or unknown, the *department* must make an estimate of the value of such property."

Section 11. Section 84-415, R.C.M. 1947, is amended to read as follows:

"84-415. **Assessment of unknown or absent owners—in whose name property to be assessed.** If the name of the absent owner is known to the *department*, the property must be assessed in his name; if unknown, the property must be assessed to unknown owners."

Section 12. Section 84-427, R.C.M. 1947, is amended to read as follows:

"84-427. **Assessment of railroads, telegraph, telephone and electric light lines.** Railroads operated or situated in one county, telegraph, telephone, and electric light lines and similar properties

situated in one county, and their franchises; canals, ditches, and flumes, situated in one county and the franchises of the same, must be listed and assessed in the county in which such property is located, and the *department of revenue* must require the owner of such property, or his agent, or any officer of a corporation owning the same, to make a verified statement containing a list of the number of miles such property is operated or situated in the county, and the value thereof."

Section 13. Section 84-429, R.C.M. 1947, is amended to read as follows:

"84-429. **Land—how assessed.** All other taxable property must be assessed in the county, city, or district in which it is situated. Land must be assessed in parcels or subdivisions not exceeding six hundred and forty acres, and tracts of land containing more than six hundred and forty acres, which have been sectionized by the United States government, must be assessed by sections or fractions of sections.

The *department of revenue* or its agent must set aside one line in the assessment book for the description of each six hundred and forty acres of land, or less, the number of acres to be entered in one column, the description in another column, value in another column, value of improvements in another column, and the total in the total column. It must also set aside a line in the assessment book for the description of each town or city lot, the description to be entered in one column, the value in another column on the same line, the value of improvements in another column, and the total in the total column; provided, that all of the unimproved lots of the same value, situate in one block, or belonging to the same party, may be described and assessed in one line in the manner above provided for each lot. It is the intention hereby that each parcel and lot show in its own line, and opposite the description thereof, the separate value of the same and the value of the improvements thereon."

Section 14. Section 84-429.7, R.C.M. 1947, is amended to read as follows:

"84-429.7. **Classification and appraisal—duties of the department of revenue.** It is hereby made the duty of the *state department of revenue* to accomplish the following:

- a. The classification of all taxable lands.
 - b. The appraisal of all taxable city and town lots.
 - c. The appraisal of all taxable rural and urban improvements.
- A record thereof must be kept upon such maps, plats and

forms, and entered in such books of record as may be prescribed by the state *department of revenue*. Such maps, plats, forms and books of record shall be official records of the state. A certified copy of all such records as may be desired shall be furnished to the state *department of revenue*.

It shall be the duty of the state department of revenue to maintain current, the classification of all taxable lands and appraisal of city and town lots, and rural and urban improvements, as provided for herein."

Section 15. Section 84-429.8, R.C.M. 1947, is amended to read as follows:

"84-429.8. Property tax administration fund—tax levy for. The state legislature shall create and establish a fund to be known as the "property tax administration fund," and may levy annually a tax not to exceed an amount appropriated therefor by the legislature upon all property in the state subject to taxation, the proceeds of which shall be deposited by the county treasurer to the credit of the state treasurer, and any balance unexpended at the end of any fiscal year shall remain in such fund and be available to carry out the provisions of this act and to maintain and keep current the classification of all taxable lands and appraisals of city and town lots and rural and urban improvements. All monies in this fund shall be available to the state legislature for appropriation to the proper agency. No monies shall be expended from this fund without an appropriation by the legislature. All costs and expenses incurred by the department of revenue for such work, labor, services and supplies required by this act, shall be paid by warrants drawn on said fund on claims approved by the department."

Section 16. Section 84-429.9, R.C.M. 1947, is amended to read as follows:

"84-429.9. Assessments to be made on classification and appraisal. The assessments of all lands, city and town lots, and all improvements must be made on the classification and appraisal as made or caused to be made by the department of revenue."

Section 17. Section 84-429.11, R.C.M. 1947, is amended to read as follows:

"84-429.11. Notice of classification and appraisal to owners—appeals. It shall be the duty of the department of revenue to cause to be mailed to each owner a notice of the classification of the land owned by him and the appraisal of the improvements thereon. If the owner of any land and improvements be dissatisfied with the classification of his land or the appraisal of the improvements the department of revenue shall give reasonable notice to such tax-

payer of the time and place of hearing and hear any testimony or other evidence which the taxpayer may desire to produce at such time and afford the opportunity to other interested persons to produce evidence at such hearing and thereafter the department of revenue shall determine the true and correct classification of such land or appraisal of such improvements and forthwith notify the taxpayer of their determination and when so determined the land shall be classified and improvements appraised in the manner ordered by the department of revenue. If any property owner shall feel aggrieved at the classification and/or the appraisal so made by the department of revenue he shall have the right to appeal to the county tax appeal board and then to the state tax appeal board whose findings shall be final subject to the right of review in the proper court or courts."

Section 18. Section 84-439, R.C.M. 1947, is amended to read as follows:

"84-439. Property concealed, misrepresented, etc. Any property willfully concealed, removed, transferred, or misrepresented by the owner or agent thereof to evade taxation, upon discovery, must be assessed at not exceeding ten times its value, and the assessment so made must not be reduced by the county tax appeal board."

Section 19.. Section 84-440, R.C.M. 1947, is amended to read as follows:

"84-440. Property having escaped assessment. Any property discovered by the department of revenue to have escaped assessment may be assessed at any time, if such property is in the ownership or under the control of the same person who owned or controlled it at the time it should have been assessed."

Section 20. Section 84-441, R.C.M. 1947, is amended to read as follows:

"84-441. Supplemental assessment. When any personal property liable to taxation is brought into a county at any time after the second Monday of July, and such property has not been assessed for that year, it must be listed and assessed the same as if it had been in the county at the time of the regular assessment, and the tax must be collected, as provided in this code, at any time."

Section 21. Section 84-448, R.C.M. 1947, is amended to read as follows:

"84-448. Annual settlements. The department of revenue, county attorney and county treasurer must annually, on the first Monday of January, make a settlement with the county clerk of

all transactions connected with the revenue for the previous year, and every county treasurer, on the expiration of his office, must make such settlement."

Section 22. Section 84-449, R.C.M. 1947, is amended to read as follows:

"84-449. *Department of revenue to collect farm statistics.* It shall be the duty of the department of revenue, at the time of making the annual assessment of property to collect such statistics in relation to farm products and agricultural resources from each farm owner, operator or renter as shall be called for by the commissioner of agriculture and on blanks to be prepared and furnished by the commissioner of agriculture."

Section 23. Section 84-450, R.C.M. 1947, is amended to read as follows:

"84-450. *Delivery to commissioner of agriculture.* The original blanks upon which the statistics are gathered by the department of revenue shall be returned to the commissioner of agriculture immediately on completion of the assessment work and not later than July first each year."

Section 24. Section 84-451, R.C.M. 1947, is amended to read as follows:

"84-451. *Statistics, how obtained.* If for any reason the department of revenue is unable to obtain the statistics from any farm owner, operator or renter, it shall obtain them from the most reliable source, so that the returns may be complete."

Section 25. Section 84-452, R.C.M. 1947, is amended to read as follows:

"84-452. *Penalty for refusal to furnish statistics.* Any farm owner, operator, or renter refusing to furnish the information called for in section 84-449, or willfully furnishes fraudulent information to the department of revenue, upon proper request therefor, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined in a sum not less than ten dollars, nor more than one hundred dollars, and cost of prosecution."

Section 26. Section 84-501, R.C.M. 1947, is amended to read as follows:

"84-501. *Property—how listed.* The state department of revenue must prepare an assessment book with appropriate headings, alphabetically arranged, in which must be listed all property within the state, and in which must be specified in separate columns, under the appropriate head:

1. The name of the person to whom the property is assessed.
2. Land, by township, range, section, or fractional section; and when such land is not a United States land division or subdivision, by metes and bounds, or other description sufficient to identify it, giving an estimate of the number of acres, not exceeding in each and every tract six hundred and forty acres, locality, and the improvements thereon.
3. City and town lots, naming the city or town, and the number of the lot and block, according to the system of numbering in such city or town, and improvements thereon.
4. All personal property, showing the number, kind, amount, and quality; but a failure to enumerate in detail such personal property does not invalidate the assessment.
5. The cash value of real estate, other than city or town lots.
6. The cash value of improvements on such real estate.
7. The cash value of city and town lots.
8. The cash value of improvements on city and town lots.
9. The cash value of improvements on real estate assessed to persons other than the owners of the real estate.
10. The cash value of all personal property, exclusive of money.
11. The amount of money.
12. Taxable improvements owned by the person, firm, association, or corporation located upon land exempt from taxation must, as to the manner of assessment, be assessed as other real estate upon the assessment roll. No value, however, must be assessed against the exempt land, nor under any circumstances must the land be charged with or become responsible for the assessment made against any taxable improvements located thereon.
13. The school, road, and other revenue districts in which each piece of property assessed is situated.
14. The total value of all property.
15. The figure one (1), in separate columns, opposite the name of every person liable to pay a poll tax."

Section 27. There is a new section to be numbered 84-502.1, R.C.M. 1947, which reads as follows:

84-502.1. *Form of assessment book.* The form of the assessment book must be as directed by the state department of revenue.

Section 28. Section 84-504, R.C.M. 1947, is amended to read as follows:

"84-504. Map book. The *department of revenue* must, in a map book, make a plat of the various blocks within any incorporated city or town, and mark thereon, in each subdivision, the name of the person to whom it is assessed."

Section 29. Section 84-505, R.C.M. 1947, is amended to read as follows:

"84-505. Assessment and map book delivered to and kept by clerk. As soon as completed, the assessment book, together with the map book and statements, must be delivered to the county clerk, who must immediately give notice thereof, and of the time the *county tax appeal board* will meet to *consider protests concerning assessments*, by publication in a newspaper, if any is printed in the county; if none, then in such manner as the board may direct; and in the meantime the assessment book must remain in his office for the inspection of all persons interested."

Section 30. Section 84-506, R.C.M. 1947, is amended to read as follows:

"84-506. Statement by agent to the department of revenue. On the second Monday in July in each year, the *agent of the department of revenue* in each county must transmit to the *state department of revenue* a statement, showing:

1. The several kinds of personal property.
2. The average and total value of each kind.
3. The number of livestock, number of bushels of grain, number of pounds, or tons, of any article sold by the pound or ton.
4. When practicable, the separate value of each class of land, specifying the classes and the number of acres in each."

Section 31. Section 84-507, R.C.M. 1947, is amended to read as follows:

"84-507. Penalty for failure of agent of department of revenue to complete assessment book and transmit statement. Every *agent of the department of revenue* who fails to complete his assessment book, or who fails to transmit the statement mentioned in the preceding section to the *state department of revenue*, forfeits the sum of one thousand dollars to be recovered on his official bond, for the use of the *department*, or to be deducted from his salary by the *director of revenue*."

Section 32. Section 84-509, R.C.M. 1947, is amended to read as follows:

"84-509. Department to furnish assessor maps. The *department of revenue* must provide maps for the use of *its agents*, showing the private lands owned or claimed in the county, and if surveyed under authority of the United States, the divisions and subdivisions of the survey. Maps of cities and villages or school districts may in like manner be provided. The cost of making such maps is a *state charge*, and must be paid from the *state general fund*."

Section 33. Section 84-510, R.C.M. 1947, is amended to read as follows:

"84-510. List of lands sold by state to be transmitted by state land agent. On or before the first Monday in March in each year, the state land agent must make out and transmit to the *department of revenue* where lands or lots lie that may have been sold by the state, for which certificates of purchase, patents, or deeds have issued, during the year preceding, certified lists of such lands or lots, giving a description thereof by divisions or subdivisions, or lots and blocks, together with the names of the purchasers thereof."

Section 34. Section 84-511, R.C.M. 1947, is amended to read as follows:

"84-511. Defects in form of assessment book may be supplied. Omissions, errors, or defects in form in any original or duplicate assessment book, when it can be ascertained therefrom what was intended, may, with the consent of the county attorney, be supplied or corrected by the *department of revenue* at any time prior to the sale for delinquent taxes, and after the original assessment was made."

Section 35. Section 84-515, R.C.M. 1947, is amended to read as follows:

"84-515. Fines and forfeitures to be paid to county treasurer. Except for the forfeiture described in section 84-507, R.C.M. 1947, all fines, forfeitures, and penalties incurred by a violation of any of the provisions of this title must be paid into the treasury for the use of the county where the person against whom the recovery is had resides."

Section 36. Section 84-601, R.C.M. 1947, is amended to read as follows:

"84-601. County tax appeal board—when to hear protests. The board of county commissioners of each county shall appoint a three (3) member county tax appeal board. The members of each tax appeal board shall be residents of the county in which they serve; they shall serve four (4) year terms and shall receive travel expenses

and per diem only when the county tax appeal board is in session to hear taxpayer appeals from property tax assessments. Travel expenses and per diem shall be paid from the appropriation to the state tax appeal board. The first term shall run from July 1, 1973, through December 31, 1976. The County tax appeal board must meet on the third Monday of July in each year to hear protests concerning assessments made by the department of revenue. It must continue in session for that purpose from time to time until the business of hearing protests is disposed of, but not later than the second Monday in August. In connection with any such appeal, the county tax appeal board shall have the authority to change any assessment or fix the assessment at some other level."

Section 37. Section 84-602, R.C.M. 1947, is amended to read as follows:

"84-602. **Equalization of assessments.** The department of revenue has power after giving notice, in writing, to the taxpayer, by registered or certified mail, addressed to him at his last known place of residence, of its intention to increase or lower his assessment contained in the assessment book, so as to equalize the assessment of the property contained therein and make the assessment conform to the true value of such property in money, which notice shall specify the date and hour when he may appear and be heard thereon, which date shall not be less than five (5) days from date of mailing such notice, and immediately after reaching a decision, the department shall notify the taxpayer, in writing, of such decision, specifying the change, if any, made in the assessment; said notice to be given by registered or certified mail, addressed to the taxpayer at his last known place of residence. The department also has power to raise or lower the valuation of all the property in a class by a certain percentage, in the event that any class of property is assessed as a class, at more or less than its actual value, by its agent and the valuation of such property within the county demands a general reclassification."

Section 38. Section 84-603, R.C.M. 1947, is amended to read as follows:

"84-603. **Application for reduction in valuations.** No reduction must be made in the valuation of property unless the party affected thereby, or his agent, makes and files with the county tax appeal board on or before the 1st day of August, a written application therefor. Said application shall state the post-office address of the applicant, shall specifically describe the property involved and shall state the facts upon which it is claimed such reduction should be made. The department of revenue shall, however, have the right to raise or lower the valuation of all of one class of property in a county, as provided in the preceding section."

Section 39. Section 84-604, R.C.M. 1947, is amended to read as follows:

"84-604. **Examination of applicant.** Before the county tax appeal board grants any application or makes any reduction applied for, it must examine on oath, the person or agent making the application, touching the value of the property of each person. No reduction must be made unless such person or agent makes an application, as provided in the preceding section, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses upon such hearing must be reduced to writing and preserved, and transcribed if taken in shorthand or stenotype. The date of hearing, the proceedings before the board, and the decision, must be entered upon the minutes of the board, and the board shall notify the applicant of its decision, by registered or certified mail within three (3) days thereafter. A copy of the minutes of the county tax appeal board must be transmitted to the state tax appeal board no later than three (3) days after the third Monday in August."

Section 40. Section 84-605, R.C.M. 1947, is amended to read as follows:

"84-605. **Change of valuation of class of property—hearing necessary.** The state department of revenue may hold a public hearing to determine the value of any class of property in any county and shall have authority to raise or lower the value of any class of property on the basis of testimony adduced at such hearing."

Section 41. Section 84-607, R.C.M. 1947, is amended to read as follows:

"84-607. **Agent to be present—statement of property not assessed.** During the hearing of the department the agent of the state who assessed the property whose testimony is needed must be present and may make any statement, or introduce and examine witnesses on questions before the department, and shall, when requested by the department or any party to the proceeding, furnish to the department a written statement showing the basis for his valuation of the property under consideration at the hearing; and shall, when requested by the department or any party to the proceeding, furnish to the department a written statement showing the basis for his valuation of any comparable property in the vicinity of the property under consideration at the hearing. At the meeting the agent shall present to the department a statement setting forth all property which has escaped assessment or which, by reason of erroneous reports or otherwise, has been assessed for less than its correct value; thereupon it shall be the duty of the department immediately to investigate the statement, and in

the event that any property owner has been assessed for property at a smaller amount or at a less valuation than should properly have been given, the department shall order the agent to correct such assessment in the manner provided for the correction of assessments by the department of revenue."

Section 42. Section 84-608, R.C.M. 1947, is amended to read as follows:

"84-608. *State department of revenue to use records in equalizing.* The state department of revenue must use the abstract and all other information it may gain from the records of the county clerk or elsewhere, in equalizing the assessment of the property of each county, and may require entry upon the assessment book of any property which has not been assessed; and any assessment made as prescribed in this section has the same force and effect as if made before the delivery of the assessment book to the county clerk."

Section 43. Section 84-609, R.C.M. 1947, is amended to read as follows:

"84-609. *Department may direct assessment in certain instances.* The department of revenue may direct its agent to assess any taxable property that has escaped assessment, or to add to the amount, number, or quantity of property, when a false or incomplete list has been rendered, and to make and enter new assessments (at the same time canceling previous entries), when any assessment made by him is deemed by the department so incomplete as to render doubtful the collection of the tax; but the county clerk must notify all persons interested, by letter deposited in the post office, post-paid, and addressed to the person interested, within ten days after the action is taken."

Section 44. Section 84-610, R.C.M. 1947, is amended to read as follows:

"84-610. *Department must keep record of proceedings and make oath.* The department must record, in a book to be kept for that purpose, all changes, corrections, and orders made by it and must direct its agent to enter upon the assessment book all changes and corrections made by it."

Section 45. Section 84-701, R.C.M. 1947, is amended to read as follows:

"84-701. *State tax appeal board—appointment of members—term of office.* The members of the state board of equalization shall constitute the first members of the state tax appeal board as provided in this section. On the effective date of this act, there shall be

created a state tax appeal board which shall be composed of three members to be appointed by the governor for staggered terms by and with the advice and consent of the senate provided, however, a member so appointed may serve until the next regular session of the legislature without such advice and consent. Each succeeding member shall hold his office for a term of six years, and until his successor shall be appointed and shall have qualified. Any vacancy shall be filled by the governor subject to confirmation by the senate during the next legislative session. Succeeding appointments, except when made to fill a vacancy, shall be made on or before the last day of January during the session of the legislative assembly, next preceding the commencement of the term for which the appointment is made."

Section 46. Section 84-702, R.C.M. 1947, is amended to read as follows:

"84-702. *Qualification and compensation.* The persons to be appointed as members of the state tax appeal board shall be such as are known to possess knowledge of the subject of taxation and skill in matters pertaining thereto. No persons so appointed shall hold any other office under the laws of this state nor any other state, nor any office under government of the United States, or of any other state. He shall devote his entire time to the duties of the office and shall not hold any position of trust or profit, nor engage in any occupation or business interfering or inconsistent with his duties. The state tax appeal board is transferred to the department of administration for administrative purposes only as is specified in section 82A-108, R.C.M. 1947. However, the board may hire its own personnel, and section 82A-108(2)(d) does not apply. The member designated chairman as provided for in 84-703 shall receive additional compensation of not more than five hundred dollars (\$500) per annum payable in the same manner as the salary. The state tax appeal board shall be paid per diem and travel expenses when away from the capital on official business."

Section 47. Section 84-703, R.C.M. 1947, is amended to read as follows:

"84-703. *Organization, quorum, sessions.* The members of the state tax appeal board shall without delay, meet at the state capital and the governor shall designate one of their members as chairman. A majority of said board shall constitute a quorum. It shall be in continuous session and open for the transaction of business every day except Saturdays, Sundays and legal holidays; and the sessions of said board shall stand and be deemed to be adjourned from day to day without formal entry thereof upon its records. The board may hold sessions or conduct hearings and investigations at other places than the capitol when deemed necessary

to facilitate the performance of its duties or to accommodate parties in interest."

Section 48. Section 84-704, R.C.M. 1947, is amended to read as follows:

"84-704. **Definitions.** (1) The term "state board" or "board" when used in this act without other qualification, shall mean the state tax appeal board.

(2) The term "person," when used in this act, shall mean and include any individual, firm, partnership, association or corporation unless otherwise expressly stated.

(3) The phrase "municipal corporation" or "municipality" or "taxing unit" when used in this act shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue."

Section 49. Section 84-705, R.C.M. 1947, is amended to read as follows:

"84-705. **Employees—expenses—minutes—rules.** The state tax appeal board may appoint a secretary and employ such other persons as experts, assistants, clerks and stenographers, as may be necessary to perform the duties that may be required of it. The total expenses of such board shall not exceed, in the aggregate, during any fiscal year, the amount appropriated for the board for all purposes by the legislature for such year. The secretary shall keep full and correct minutes of the transactions and proceedings of said board, shall have authority to administer oaths and perform such other duties as may be required of him. The board may make all needful rules for the orderly and methodical performance of its duties as a tax appeal board and for conducting hearings and other proceedings before it."

Section 50. Section 84-706, R.C.M. 1947, is amended to read as follows:

"84-706. **Office, furnishings and supplies.** The board shall keep its office at the capital, and shall be provided with suitable and necessary offices and office furniture, printing, supplies, stationery, books, periodicals, and financial and commercial reports."

Section 51. Section 84-707, R.C.M. 1947, is amended to read as follows:

"84-707. **Continuity of action of former board.** All records, books, documents, reports, and correspondence relating to tax ap-

peals, received and kept by the former state board of equalization, shall immediately, upon the organization of the new board, be transferred to it for its use and convenience. The board shall continue and complete any and all work relating to tax appeals undertaken or commenced and not completed by its predecessor.

Officers of municipal corporations heretofore required to make reports to the state board of equalization shall report to the department of revenue."

Section 52(a). Section 84-708, R.C.M. 1947, is amended to read as follows:

"84-708. **Powers and duties.** It shall be the duty of the state tax appeal board:

(1) To prescribe rules and regulations for the tax appeal boards of the different counties in the performance of their duties;

(2) To hear appeals from decisions of the county tax appeal boards;

(3) To hear appeals from decisions of the department of revenue in regard to business licenses, property assessments, taxes, and penalties.

(4) Hearings, witnesses, contempt, fees and subpoenas. Oaths to witnesses in any investigation by the state tax appeal board may be administered by a member of the board or his agent. In case any witness shall fail to obey any summons to appear before said board, or shall refuse to testify, or answer any material question, or to produce records, books, papers or documents when required to do so, such failure or refusal shall be reported to the attorney general, who shall thereupon institute proceedings in the proper district court to punish the witness for such neglect or refusal. Any person who shall testify falsely in any material matter, under consideration by the board shall be guilty of perjury and punished accordingly. Witnesses attending shall receive like compensation as witnesses in the district court. Such compensation shall be charged to the proper appropriation for the board.

(5) The state tax appeal board shall also have the duties of an appeal board relating to such other matters as may be provided by law.

Section 52(b). There is a new section to be numbered 84-708.1, R.C.M. 1947, which reads as follows:

84-708.1. Judicial review of contested cases. (1) Any party to an appeal before the state tax appeal board who is aggrieved by a final decision in a contested case is entitled to judicial review under this act.

(2) Proceedings for review shall be instituted by filing a petition in district court within thirty (30) days after service of the final decision of the state tax appeal board, or if a rehearing is requested within thirty (30) days after the decision thereon."

Section 53. There is a new section to be numbered 84-708.1, which reads as follows:

84-708.1. Powers and duties of the state department of revenue. (1) To annually assess the franchise, roadway, roadbeds, rails, and rolling stock, and all other property of all railroads, and the pole lines and rights of way and all other property of all telegraph and telephone lines, electric power and transmission lines, ditches, canals and flumes, and other similar property, constituting a single and continuous property operated in more than one (1) county in the state, and to apportion such assessments to the counties in which such properties are located on a mileage basis, or in the case of telegraph or telephone microwave electronic equipment, which has no physical connection with the total system, but is an integral part of such system, apportion the valuation for assessment of such company in this state among the several counties of this state in such proportion as will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as shall be just and equitable, provided, however, that lots and parcels of real estate not included in right of way, with the buildings, structures, and improvements thereon, dams and power houses, depots, stations, shops, and other buildings, erected upon right of way, furniture, machinery, and other personal property, shall not be considered as a part of any such single and continuous property, but shall be considered as separate and distinct therefrom, and shall be assessed by the agent of the department of revenue in the county wherein they are situate.

(2) To transmit to the county clerk of each county its apportionment of all assessments made by the department.

(3) To adjust and equalize the valuation of taxable property among the several counties, and the different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of agents of the department; change, increase or decrease valuations made by its agents; and exercise such authority and do all things necessary to secure a fair, just and equitable valuation of all taxable property among counties between the different classes of property and between individual taxpayers.

(4) To have and exercise general supervision over the administration of the assessment and tax laws of the state, and

over its agents and any officers of municipal corporations, having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law, and to supervise the administration of all revenue laws of the state and assist in their enforcement. Further, the state department of revenue is empowered to organize, and it shall be its duty to schedule and hold area schools within the state for appraisers and assessors as often as is deemed necessary in the judgment of the department and the costs of such appraisers and assessors attending shall be borne by the state. Further, the department shall determine if there is a need for a taxing, assessing, and appraising school, and such school shall be held, when deemed necessary. The department shall notify all assessors and appraisers at least six (6) months before such school is scheduled and it shall be the duty of all assessors and appraisers to attend and the cost of their attendance shall be borne by the state.

(5) To confer with, advise and direct officers of municipal corporations as to their duties, with respect to taxation, under the statutes of the state.

(6) To direct proceedings, actions and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities and punishment of public officials and persons, or their agents, for failure or neglect to comply with the provisions of the statutes governing the revenue of the state or municipal corporations; and to cause complaints to be made against assessors and other public officers to the proper district court for their removal from office for official misconduct or neglect of duty.

(7) To require county attorneys to assist in the commencement and prosecution of actions and proceedings for penalties, forfeitures, removals and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws, in their respective counties.

(8) To collect annually from the proper officers of the municipal corporations information as to the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and such other information as may be needful and helpful in the work of the department in such form and upon such blanks as the department shall prescribe; and it shall be the duty of all public officers so called upon to fill out properly and return promptly to the department all blanks so transmitted and in every way aid the department in its work; to examine the records of all municipal corporations for such purposes as are deemed needful or helpful by the department.

(9) In its discretion, to inspect and examine, or cause an inspection and examination of the records of the officers of any municipality, whenever such officer shall have failed, neglected or refused to return properly the information required by this section within the time set by the department. Upon completion of such inspection and examination the department shall transmit to the clerk, or other proper official of the municipality, a statement of the expenses incurred by the department to secure the necessary information. Within sixty (60) days after the receipt by the municipality of the above statement, the same shall be audited, as other claims of the municipal corporation are audited and shall be paid into the state treasury and if the same is not so paid the attorney general shall institute an action, in the proper court, against the municipality to recover the same.

The officers responsible for the furnishing of the information collected pursuant to this section, shall be jointly and severally liable for any loss the municipality may suffer, through their delinquency; and no payment shall be made to them for salary, or on any other account, until the cost of such inspection and examination as provided above shall have been paid into the treasury, or to the proper officers of such municipality. They shall also be subject to such other fines and penalties as prescribed by law.

(10) To require persons, as defined above, to furnish information concerning their capital, funded or other debt, current assets and liabilities, cost and value of property, earnings, operating and other expenses, taxes and all other facts which may enable the department to ascertain the value of the relative burdens borne by all kinds of property and occupations in the state.

(11) To summon witnesses to appear and give evidence, and to produce records, books, papers and documents relating to any matter which the department shall have authority to investigate and determine.

(12) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken upon notice to the interested party, if any, in like manner that depositions are taken in actions pending in the district court, in any matter which the department shall have authority to investigate and determine.

(13) To examine into all cases where evasion or violation of the laws for taxation of property, proceeds, occupation or business is alleged, complained of or discovered, and to ascertain wherein existing laws are ineffective or are improperly or negligently administered.

(14) To investigate the tax systems of other states and countries and to formulate and recommend legislation for the better administration of the fiscal laws so as to secure just and equal taxation and improvement in the system of taxation and the economical expenditure of public revenue in the state.

(15) To consult and confer with the governor of the state upon the subject of taxation, the administration of the laws relating thereto and the progress of the work of the department, and to furnish the governor such assistance as he may require.

(16) To transmit to the governor and to each member of the legislature twenty (20) days before the meeting of the legislature, a report of the department, showing all the taxable property of the state and the value of the same in tabulated form, with recommendations for improvements in the system of taxation, together with such measures as may be formulated for the consideration of the legislature; and to include therein a report showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the comparative state price structures.

Section 54. Section 84-709, R.C.M. 1947, is amended to read as follows:

"84-709. **Appeal to state tax appeal board—hearing.** Any person, firm or corporation or the *department of revenue* in behalf of the state, or any municipal corporation, aggrieved by the action of any county *tax appeal board*, may appeal to the state board by filing with the county *tax appeal board* a notice of appeal, and a duplicate thereof with the state board, within ten days after the action of the county board, which notice shall specify the action complained of and the reasons assigned for such complaint. The state board shall set such appeal for hearing either in its office in the capitol or such county seat as the board shall deem advisable to facilitate the performance of its duties or to accommodate parties in interest, and shall give to the appellant and to the county board at least five days notice of the time and place of such hearing; at the time of giving such notice the state board may require the county board to certify to it the minutes of the proceedings resulting in such action and all testimony taken in connection therewith, and the state board may, in its discretion, determine the appeal on such record or may hear further testimony. For the purpose of expediting its work the state board may refer any such appeal to one of its members and the person so designated shall have and exercise all the powers of the board in conducting such hearings, and shall, as soon as possible thereafter, report the proceedings, together with a transcript of the testimony received, to the board and the

state board shall determine such appeal on the record so made. On all hearings at county seats throughout the state, the state board or the member designated to conduct a hearing may employ the local court reporter or other competent stenographer to take and transcribe the testimony received, and the cost thereof may be paid out of the general appropriation for the board."

Section 55. Section 84-710, R.C.M. 1947, is amended to read as follows:

"84-710. **Notice of intention to change assessment.** When the state department of revenue shall contemplate making any change in the assessment of any property assessed to any particular person (except in a case where an appeal has been filed with the state tax appeal board), the department shall, before making any change in such assessment, fix a time and place for a hearing thereon, and give to such taxpayer written notice of such hearing by certified letter deposited in the post office postpaid, and directed to said taxpayer at his last known place of residence, at least ten (10) days before the day fixed for such hearing. Such notice shall state the purpose of such hearing and the time and place when the same will be held.

When the state department of revenue shall contemplate raising or lowering the assessed valuation of any one or more classes of property in any county, it shall give notice of its contemplated action to the board of county commissioners of the county in which such class or classes of property is situated, in such manner as it shall deem proper and sufficient, and shall fix a time and place within the county in which such change of assessment is proposed for a hearing thereon; provided, however, that if the change affects one or more classes of property common to more than one county the department shall fix the time and place of hearing so as to accommodate the counties interested. At the time and place fixed for such hearing any taxpayer or any officer of any municipal corporation interested therein may appear and be heard."

Section 56. Section 84-711, R.C.M. 1947, is amended to read as follows:

"84-711. **Assessment of omitted property—limitation.** Whenever the state department of revenue shall, in any year, discover that any taxable property of any person has not been assessed in such year, or that it has been omitted from taxation during any previous year or years, the department may assess the same for such year or for such previous years. The order making the assessment shall contain the name of the person to whom the property is assessed, a general description of such property, its assessed valuation, the year for which it is assessed and the county in which the same is

assessed. A copy of such order shall be transmitted to the officer of the county, in whose possession the assessment books of such county are at the time of the making of such order by the department, and such officer shall immediately after receiving such copy, enter the assessment on the tax books of the county for the year in which such order is made, and thereupon such assessment shall have the same force and effect as though originally made by its agent; provided, however, that before making any such assessment the state department of revenue shall give the person to whom such property is proposed to be assessed, notice of its intention to make such assessment, and the time and place when a hearing will be had thereon; such notice to be given either by registered letter or personal service at least ten days before the date so fixed for such hearing; and provided further that all assessments of omitted property must be made within three years after the end of the calendar year in which the same should have been assessed."

Section 57. Section 84-712, R.C.M. 1947, is amended to read as follows:

"84-712. **Statement of changes to be sent to county clerk.** The department of revenue shall transmit to each county clerk a statement of the changes made by the department in the assessment book of the county, or any assessment contained therein, which shall be prima facie evidence of the regularity of all proceedings of the department resulting in the action which is the subject matter of the statement."

Section 58. Section 84-714, R.C.M. 1947, is amended to read as follows:

"84-714. **Penalty for refusal to furnish information.** If any person shall refuse inspection of any books or records when requested by the department or its authorized agent, or shall refuse or neglect to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property the department shall make such determination and assessment of his or its property as in its judgment appears to be just and equitable, and may add to its assessment thus made not more than twenty per cent thereof as a penalty for such refusal or neglect to furnish any information called for by the department assessed of its action, either by registered mail or by personal service of such notice. Such action of the department and the assessment so made shall be final and conclusive unless the party so assessed, (1) shall, within twenty days after receiving such notice file an appeal with the state tax appeal board and show cause before the board why such assessment and penalty should be modified or annulled, when the board shall then from all information presented

to it or from its own investigation make such assessment as to it seems just and equitable; or, (2) unless the party assessed shall within sixty (60) days after receiving such notice, appeal to the district court of Lewis and Clark county from the action of the *department* in making such assessment and imposing such penalty by serving on the *department* and filing in the office of the clerk of said district court notice of appeal therefrom together with a bond conditioned for the payment of such amount as the judgment of said court may require within thirty (30) days after the entry of such judgment. Upon the hearing of such appeal the court or the *state tax appeal board* shall determine whether the *department of revenue* was entitled to inspect such books or records, or was entitled to the information requested by the *department*, and if the court or *board* shall find that the *department* was entitled to inspect such books or records or was entitled to the information requested by the *department*, the court or *board* shall not change or modify in any manner the assessment as made or the penalty added to such assessment by the *department* but if the court or *board* shall find that the *department* was not entitled to inspect such books or records, or was not entitled to the information requested by the *department*, then the court or *board* shall enter a judgment changing and modifying the assessment made by the *department* by striking out the penalty added thereto by the *department*."

Section 59. Section 84-716, R.C.M. 1947, is amended to read as follows:

"84-716. **Hearings, witnesses, contempt, fees and subpoenas.** Oaths to witnesses in any investigation by the *department* may be administered by the *director of revenue* or his agent. In case any witness shall fail to obey any summons to appear before the *department*, or shall refuse to testify, or answer any material question, or to produce records, books, papers or documents when required to do so, such failure or refusal shall be reported to the attorney general, who shall thereupon institute proceedings in the proper district court to compel obedience to any summons or order of the board, or to punish the witness for such neglect or refusal. Any person who shall testify falsely in any material matter, under consideration by the *department* shall be guilty of perjury and punished accordingly. Witnesses attending shall receive like compensation as witnesses in the district court. Such compensation shall be charged to the proper appropriation for the *department*."

Section 60. Section 84-717, R.C.M. 1947, is amended to read as follows:

"84-717. **Seal.** The *state tax appeal board* shall have a seal and such seal shall have the following words engraved thereon, "*Tax Appeal Board* of the State of Montana." The board shall

authenticate all of its orders, records and proceedings with such seal, and the courts of this state shall take judicial notice of such seal."

Section 61. Section 84-724, R.C.M. 1947, is amended to read as follows:

"84-724. **Destruction of tax records authorized — procedure.** Notwithstanding the provisions of any other chapter of this code, the *state department of revenue* is authorized to destroy tax records more than three (3) years old, as shall be determined to be of no further value.

Authorization for destruction of tax records shall be *by the director of revenue* or authorized employees of the *department of revenue*. A copy of the authorization and authenticated list shall be *maintained by the department of revenue*."

Section 62(a). Section 84-802, R.C.M. 1947, is amended to read as follows:

"84-802. **Assessment, how made.** The *state department of revenue* must assess the franchise, roadway, roadbed, rails, and rolling stock of all railroads operated in more than one county. All rolling stock must be assessed in the name of the person, corporation, or association owning, leasing, or using the same. Assessment must be made to the corporation, person, or association of persons owning or leasing or using the same, and must be made upon the entire railroad within the state. The depots, stations, shops and buildings erected upon the space covered by the right of way, and all other property owned or leased by such person, corporation, or association, except as above provided, shall be assessed by *an agent of the state department of revenue* in the county wherein they are situate. After making such assessment, the *department* shall give written notice thereof to such owner or operator. *Within ten (10) days* the owner or operator, or any taxpayer, may appear *at the department of revenue* in person, or otherwise, to show cause why such assessment should be either lowered or raised. On or before the second Monday in July, the *department* shall apportion such assessment to the counties, school districts, cities, towns, and other tax subdivisions, in which such railroad is located."

Section 62(b). There is a new section to be numbered 84-802.1, R.C.M. 1947, which reads as follows:

84-802.1. Hearing before the *state tax appeal board*. Following the assessment by the *department*, any aggrieved party may appeal to the *state tax appeal board* according to the rules and regulations of said board.

Section 63. Section 84-803, R.C.M. 1947, is amended to read as follows:

"84-803. **Duties of the state department of revenue respecting statement.** The state *department of revenue* must, within the time mentioned, in the preceding section, transmit by mail to the *agent of the department* in each county, to which such apportionment is made, a statement in detail sufficient for identification and location of the property, showing the assessed value per mile of the same, as fixed by a prorata distribution per mile of the assessed value of the whole franchise, roadway, roadbed, rails, and rolling stock of such railroad, within the state, and the amount apportioned to the county and to each taxing subdivision thereof. The *agent of the department of revenue in each county* must enter the statement on the assessment roll of the county."

Section 64. Section 84-902, R.C.M. 1947, is amended to read as follows:

"84-902. **Statement to be transmitted by agent of the department of revenue to the state department of revenue.** The *agent of the department* in every county must, on the first Monday in May of each year, transmit to the state *department of revenue* a statement showing:

1. The name and address of each corporation, person and association owning or operating any telegraph, telephone, electric power or transmission line, natural gas pipeline, oil pipeline, canal, ditch, flume, or other similar property in more than one county of the state, whose property, or any part thereof, has been assessed by the *agent of the department*.

2. A complete description of all such property assessed to every such corporation, person, or association, together with the assessed value thereof.

3. *After making such assessment, the department shall give written notice thereof to the person or persons to whom the assessment is made."*

Section 65(a). Section 84-903, R.C.M. 1947, is amended to read as follows:

"84-903. **Hearing before the state tax appeal board.** After making such assessment, the *department* shall give written notice thereof to the person or persons to whom the assessment is made. *Within ten (10) days* the person or persons, or any taxpayer may appear at the *department of revenue* in person, or otherwise, to show cause why such assessment should be either lowered or raised."

Section 65(b). There is a new section to be numbered 84-903.1, R.C.M. 1947, which reads as follows:

84-903.1. **Hearing before the state tax appeal board.** Following the assessment by the department, any aggrieved party may appeal to the state tax appeal board according to the rules and regulations of said board.

Section 66. Section 84-906, R.C.M. 1947, is amended to read as follows:

"84-906. **Transmission of statement of amount apportioned to counties.** The state *department of revenue*, must, not later than the second Monday of July, transmit or mail to the *agent of the department* in each county to which such apportionment has been made, a statement showing the length of the property in such county; a description of the same sufficient for identification; the assessed value of the same as determined by the *department*; and the amount apportioned to the county. The *agent of the department* must enter the statement on the assessment roll or book of the county, and enter the amount of the assessment apportioned to the county in the column of the assessment roll or book which shows the total value of all property for taxation in the county."

Section 67. Section 84-1505, R.C.M. 1947, is amended to read as follows:

"84-1505. **Assessment and collection of tax.** (1) Assessment and payment of tax, penalty and interest. All taxpayers shall compute the amount of tax payable under this act and shall remit such amount to the state *department of revenue* on or before the fifteenth day of the fifth month following the close of the taxable period. If the tax is not paid on or before the due date, there shall be assessed a penalty of ten per cent (10%) of the amount of the tax, unless it is shown that the failure was due to reasonable cause and not due to neglect. If any tax due under this chapter is not paid when due, by reason of extension granted, or otherwise, interest shall be added thereto at the rate of nine per cent (9%) per annum from the due date until paid.

(2) Levy upon and sale of property for payment of corporation licenses taxes. If any tax imposed by this act or any portion of such tax is not paid within sixty (60) days after the same becomes due, the *department* shall issue a warrant directed to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the corporation owning the same, found within his county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to the *department*

and pay to it the money collected by virtue thereof by a time to be therein specified, not more than sixty (60) days from the date of the warrant. The sheriff shall within five (5) days after the receipt of the warrant, file with the clerk of the district court of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, in the column for judgment debtors, the name of the taxpayer mentioned in the warrant, and in appropriate columns, the amount of the tax or portion thereof and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to and interest in real property or chattels real of the corporation against whom it is levied in the same manner as a judgment docketed in the office of such clerk. The said sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for his services in executing the warrant, to be collected in the same manner. In the discretion of the *department* a warrant of like terms, force and effect may be issued and directed to any agent authorized to collect income taxes, and in the execution thereof, such agent shall have the powers conferred by law upon sheriffs, but shall be entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty. If a warrant be returned not satisfied in full, the *department* shall have the same remedies to enforce the claim for taxes against the taxpayer as if the people of the state had recovered judgment against the taxpayer for the amount of the tax.

(3) Action by attorney general. Action may be brought at any time by the attorney general of the state at the instance of the *department*, in the name of the state to recover the amount of any taxes, penalties and interest due under this act."

Section 68. Section 84-1508.1, R.C.M. 1947, is amended to read as follows:

"84-1508.1. **Determination of tax liability—interest on deficiencies and overpayment.** (a) Deficiency assessments. If, the state *department of revenue* determines that the amount of tax due is greater than the amount disclosed by the return, it shall mail to the taxpayer a notice of the additional tax proposed to be assessed. Within thirty (30) days after the mailing of the notice, the taxpayer may file with the state *department of revenue* a written protest against the proposed additional tax, setting forth the grounds upon which the protest is based, and may request in its protest an oral hearing or an opportunity to present additional evidence relating to its tax liability. If no protest is filed, the

amount of the additional tax proposed to be assessed becomes final upon the expiration of the thirty (30) day period. If such protest is filed, the state *department of revenue* shall reconsider the proposed assessment, and if the taxpayer has so requested, shall grant the taxpayer an oral hearing. After consideration of the protest and the evidence presented in the event of an oral hearing, the state *department of revenue's* action upon the protest is final when it mails notice of its action to the taxpayer.

When a deficiency is determined and the tax becomes final, the state *department of revenue* shall mail notice and demand to the taxpayer for the payment thereof, and the tax shall be due and payable at the expiration of ten (10) days from the date of such notice and demand. Interest on any deficiency assessment shall bear interest from the date specified in section 84-1505 for payment of the tax. A certificate by the state *department of revenue* of the mailing of the notices specified in this subsection shall be prima facie evidence of the computation and levy of the deficiency in tax and of the giving of the notices.

(b) Overpayment of tax—refunds and credits. If the state *department of revenue* determines that the amount of tax, penalty or interest due for any year is less than the amount paid, the amount of the overpayment shall be credited against any tax, penalty or interest then due from the taxpayer and the balance refunded to the taxpayer or its successor through reorganization, merger or consolidation, or to its shareholders upon dissolution.

If the state *department of revenue* disallows any claim for refund, it shall notify the taxpayer accordingly. At the expiration of thirty (30) days from the mailing of the notice, the state *department of revenue's* action shall become final, unless within the said thirty (30) day period the taxpayer appeals in writing from the action of said *department to the state tax appeal board*. If such appeal is made, the state *tax appeal board* shall grant the taxpayer an oral hearing. After consideration of the appeal and evidence presented, the state *tax appeal board* shall forthwith mail notice to the taxpayer of its determination. The board's determination is final when it mails notice of its action to the taxpayer.

(c) Except as hereinafter provided for, interest shall be allowed on overpayments at the rate of six per cent (6%) per annum from the due date of the return or from the date of overpayment (whichever date is later) to the date the *department of revenue* approves refunding or crediting of the overpayment. Interest shall not accrue during any period the processing of a claim for refund is delayed more than thirty (30) days by reason of failure of the taxpayer to furnish information requested by the

state *department of revenue* for the purpose of verifying the amount of the overpayment. No interest shall be allowed (1) if the overpayment is refunded within six (6) months from the date the return is due or from the date the return is filed, whichever is later; or (2) if the amount of interest is less than one dollar (\$1.00).

A payment not made incident to a bona fide and orderly discharge of an actual corporation license tax liability or one reasonably assumed to be imposed by this law, shall not be considered an overpayment with respect to which interest is allowable."

Section 69. Section 84-1704, R.C.M. 1947, is amended to read as follows:

"84-1704. **Procedure in case of failure to make statement.** In case of failure or refusal of any express company to make the statement required by law or furnish the *department* any information required by it, the *department* shall inform itself as best it may on the matters necessary to be known in order to discharge its duty, and at any time before the gross receipts of any express company for business done within the state are determined, any person, company or corporation interested shall have the right, on written application, to appear before the *department* and be heard on the matter of such determination. After the determination of the amount of the gross receipts of any express company for business done in the state and before the certification of such amount by the *department*, the *department* may, on the application of any person, company or corporation interested, or on its own motion, review and correct its findings in such manner as may seem to it to be just and proper."

Section 70. Section 84-1706, R.C.M. 1947, is amended to read as follows:

"84-1706. **State department of revenue authorized to require production of books.** The state *department of revenue* shall have power to require the president, secretary, treasurer, receiver, superintendent, managing agent or other officer or employee or agent of any express company engaged in an express company business to attend before the *department* and bring with him for inspection any books or papers of such company in his possession or under his control and to testify under oath on any matter relating to the organization or business of such express company. The *director of revenue* or his appointed agent is authorized and empowered to administer such oath. Any person who shall refuse to attend before the *department* when subpoenaed so to do, or shall refuse to bring with him and submit for the inspection of the board any books or papers in his possession, custody or control,

or shall refuse to answer any questions put to him by the *department* affecting the organization or business of the express company under investigation shall be guilty of a misdemeanor, and, on conviction thereof, shall be fined not more than five hundred dollars nor less than one hundred dollars."

Section 71. Section 84-1833, R.C.M. 1947, is amended to read as follows:

"84-1833. **Special fuel dealers' and special fuel users' licenses and special fuel vehicle permits.** (a) Require: It shall be unlawful for any person to act as a special fuel dealer in this state unless such person is the holder of an uncanceled fuel dealers' license issued to him by the *department*.

Every special fuel user shall obtain from the *department*, prior to the use of such special fuel for the propulsion of a motor vehicle or vehicles in this state, a special fuel users' license, and a special fuel vehicle permit for each such vehicle or vehicles operated by him upon the highways as herein defined, which permit shall at all times be carried in the vehicle for which it was issued, and shall be exhibited for inspection on request of any checking station officer, Montana highway patrol officer, any authorized employee of the *department of revenue*, or any other law enforcement officer.

Any out of state user who operates a recreational passenger car, pickup truck or family motor coach powered by special fuels shall secure a special fuel user's "Courtesy" vehicle permit. The permit shall not be transferable and shall be valid for ninety (90) days. Permits will be issued at no cost to the user by the *department of revenue*, scale house personnel and gross vehicle weight patrol crews. The *department* may require the user who has fuel capacity in excess of thirty (30) gallons to file a report and pay the tax on fuel used in Montana on which the tax has not been paid.

(b) Application: Application for a special fuel dealer's license, a special fuel user's license, or a special fuel vehicle permit shall be made to the board unless otherwise provided herein.

(c) Form of application: The application shall be filed upon a form prepared and furnished by the *department*. The application shall contain such information as the *department* deems necessary.

(d) Bond: Except as herein provided, no special fuel dealer's license or special fuel user's license shall be issued to any person or continued in force unless such person has furnished bond, as defined in section 84-1831 (i) and in such form as the *department* may require to secure its compliance with this act, and the payment of any and all taxes, interest and penalties due and to become

due hereunder. Upon application, the *department* may waive the bond requirement of any resident special fuel user who establishes to the reasonable satisfaction of the board that the tax as herein provided is not delinquent or that interest or penalties are not accrued under the provisions of this act.

The total amount of the bond or bonds required of any special fuel dealer or special fuel user shall be equivalent to twice his estimated monthly tax payments as hereinafter provided, determined in such manner as the *department* may deem proper; provided, however, that the total amount of the bond or bonds shall never be less than five thousand dollars (\$5,000) for any special fuel user awarded a contract in accordance with section 84-1832.1, nor less than five hundred dollars (\$500) for any other special fuel user; and not less than one thousand dollars (\$1,000) for a special fuel dealer.

(e) Issuance: Upon receipt of the application and bond in proper form, the *department* shall issue to the applicant a license to act as a special fuel dealer or special fuel user or a special fuel vehicle permit; provided, however, the *department* may refuse to issue a special fuel dealer's license, a special fuel user's license or a special fuel vehicle permit to any person: (1) who formerly held either type of license or permit which, prior to the time of filing application has been revoked for cause; or (2) who is not the real party in interest and where the license or permit of the real party in interest has been revoked for cause prior to the time of filing such application; or (3) upon other sufficient cause being shown. Before such refusal, the *department* shall grant the applicant a hearing and shall grant him at least ten (10) days' written notice of the time and place thereof.

(f) Expiration of license or permit: Each special fuel dealer's license, special fuel user's license and special fuel vehicle permit shall be valid until suspended or revoked for cause or otherwise canceled.

(g) Assignment forbidden: No special fuel dealer's license, special fuel user's license or special fuel vehicle permit shall be transferable.

(h) Revocation, suspension, cancellation and surrender of license and permit: The *department* may revoke the license of any special fuel dealer or special fuel user or any special fuel vehicle permit, for reasonable cause. Before revoking such license or permit, the *department* shall notify the licensee or permittee of its intention so to do, by either certified or registered mail, addressed to his last known address shown in the files of the *department*, requiring him to appear before the *department* on a day and hour

specified in such notice, not more than thirty (30) days nor less than ten (10) days from date of such notice, and show cause, if any he has, why the license or the permit, or each of them, should not be revoked; provided, however, that at any time prior to and pending such hearing the *department* may, in the exercise of reasonable discretion, suspend such license or permit.

Upon revocation by the *department* of any such license or permit, the holder thereof shall immediately surrender the same to the *department* for cancellation; and the holder of any such permit, having permanently discontinued the use of any vehicle for which the permit was issued, for whatever reason, shall immediately surrender the same to the *department* for cancellation.

The *department* shall cancel any license to act as a special fuel dealer or a special fuel user or any special fuel vehicle permit immediately upon surrender thereof by the holder.

(i) Release of surety: Any surety on a bond furnished by a special fuel dealer or special fuel user as provided herein shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of thirty (30) days from the date upon which such surety shall have lodged with the *department* a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the thirty (30) day period. The *department* shall promptly upon receiving any such request, notify the special fuel dealer or special fuel user who furnished the bond, and unless the special fuel dealer or special fuel user shall, on or before the expiration of the thirty (30) day period, file a new bond, in accordance with the requirements of this section, or make a deposit in lieu thereof as provided in section 84-1831 (i), the *department* forthwith shall cancel the special fuel dealer's or special fuel user's license.

(j) Additional bond or deposit: The *department* may require a special fuel dealer or special fuel user to give a new or additional surety bond or to deposit additional securities of the character specified in section 84-1831 (i), if, in its opinion, the security of the surety bond theretofore filed by such special fuel dealer or special fuel user, or the market value of the properties deposited as security by such special fuel dealer or special fuel user, shall become impaired or inadequate; and upon failure of the special fuel dealer or special fuel user to give such new additional surety bond or to deposit additional securities within thirty (30) days after being requested so to do by the *department*, said *department* forthwith shall cancel his license.

(k) All special fuel taxes due from any dealer or user under the provisions of this act, together with all penalties and interest thereon shall be a lien upon any and all property of such dealer, user or other person upon the filing by the state *department of revenue* of a duplicate copy of the statement so made by the state *department of revenue*, or a certified copy of any statement filed by said *department* in the office of the county clerk of the county where such property is situated which lien shall have precedence over any other claim, lien or demand thereafter filed or recorded and which may be enforced in the name of the state of Montana in the same manner as judgment liens are enforced by law."

Section 72. Section 84-2009, R.C.M. 1947, is amended to read as follows:

"84-2009. **False or erroneous statements—investigation concerning.** (1) Should the state *director of the department of revenue* have reason to believe that any statement and return is false, or erroneous in any particular, it may require the person, or if made by a corporation, association or company, the officers thereof, and the employees of any such person, corporation, association or company, to appear before the *director of revenue* or *his agent* and testify concerning the same and any statement contained therein, and may examine all books, records, papers and documents of such person pertaining to such business, upon giving five days' written notice to such persons, or officers or employees thereof having custody of such books, records, papers and documents, and any person failing, refusing or neglecting to so appear, or refusing to be sworn or to testify, or refusing to answer any material question propounded by the *director* or any of *his employees*, or refusing to permit the *director*, or *his employees* to examine such books, records, papers or documents, or any thereof, pertaining to such business, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than one thousand dollars, or by imprisonment in the county jail for a term not exceeding six months, or by both such fine and imprisonment. If the *director*, after hearing such evidence and after such examination of the books, papers, documents and records of such person, shall find and determine that such statement and return is erroneous or false in any material matter, the *director* shall change and correct the same so as to show the true gross value of product and shall reassess the amount of the license tax due from such person, and may add thereto a penalty of not exceeding fifty per centum, and shall thereupon immediately certify the amount of such license tax with the penalty added thereto to the state treasurer, and shall at the same time mail to such person a written notice of the corrections and changes made in such

statement and return and the amount of the license tax and penalty certified to the state treasurer.

(2) The state treasurer shall collect such license tax with penalty added, and if the same has become delinquent he shall also collect interest thereon from the date of delinquency until paid at the rate of twelve per centum per annum. Provided further, that in order to verify such statement and return the state *department of revenue* may require any person, corporation, association, or company engaged in the business of smelting, milling, reduction or treatment in any manner of ores extracted or produced from any mine or mining property in the state of Montana to appear before the *director of revenue* and testify concerning the gross mineral content of any such ore, or at the request of said *director* to furnish sworn statements showing the gross yield of such ores, mineral products or deposits in constituents of commercial value, that is to say, the number of ounces of gold, silver, pounds of copper, lead or zinc, or other commercially valuable constituents of said ores or mineral products or deposits, measured by standard units of measurement during the period covered by such statement, without any deductions whatsoever for smelting, milling, reduction or treatment of such ores or mineral product.

(3) The books, records, papers and documents of such person, corporation, association or company engaged in the business of smelting, milling, reduction or treatment in any manner of ores extracted or produced by any mine or mining property in the state of Montana shall be open to inspection and examination by the *director of revenue* or *his employees* at any time or place that the *director* may designate.

(4) If any person required by this act to make or file any statement, or to verify, under oath any statement, shall make such statement false in any material respect, or shall verify, under oath, any statement false in any respect or shall fail, neglect or refuse to file any statement required by said state *department of revenue* or shall refuse to appear before the *director of revenue* to testify concerning the gross mineral content of any such ore, or shall refuse to allow the *director* or *his employees* at any time or place to inspect or examine the books, records, papers and documents of such person, corporation, association or company engaged in the business of smelting, milling, reduction or treatment in any manner of ores extracted or produced by any mine or mining property in the state of Montana, shall be deemed guilty of a misdemeanor and shall be punished by a fine of not exceeding one thousand dollars, or by imprisonment in the county jail for not exceeding six months, or by both such fine and imprisonment."

Section 73. Section 84-2010, R.C.M. 1947, is amended to read as follows:

"84-2010. *Hearing on determination of value of gross product or amount of tax.* Every person whose license tax has been determined and assessed by the state *department of revenue* under any of the provisions of this act, who shall feel aggrieved by the determination and assessment of the *department* as to the amount of gross value of product, or as to the amount of the license tax, may, at any time within ten days after the date of notice thereof, required to be given to such person, file with the *state tax appeal* board a petition for a *hearing* in which petition must be stated and set forth particularly and specifically the grounds and reasons therefor, and the manner in which the amount of the gross value of product or the amount of the license tax, or both, should be changed or corrected. Upon the filing of such petition, if it appears to the satisfaction of the *state tax appeal* board therefrom that the *department of revenue* has erred in any manner in ascertaining and determining the amount of the gross value of product, or the amount of the license tax, or both, the board shall immediately correct such error, or errors, and if such correction shall be in conformity with the request contained in the petition for a *hearing* the board shall take no further steps in connection with such petition, other than to certify to the state treasurer the amount of the license tax due from such person after the making of such correction, and notifying such person thereof. If, from such examination, it does not appear to the satisfaction of the *state tax appeal* board that the *department of revenue* has erred in any manner the board shall grant the *hearing*, fix a day when the board will take up and hear such matter, and give notice to such person of such date of hearing as the board may deem reasonable. On such hearing such person, any taxpayer interested, and the *department of revenue* may introduce witnesses and *present* testimony on any material matters connected with such return and license tax, and after considering such evidence the board shall fix and determine the gross value of product, and reassess the amount of the license tax to be paid by such person, and give notice thereof in the manner required by section 84-2006."

Section 74. Section 84-3804, R.C.M. 1947, is amended to read as follows:

"84-3804. *Increase of state tax levy—support units of university.* Upon the approval of the electors of this state, to be determined by their vote at the general election to be held in November of 1968, the legislative assembly shall levy a property tax of not more than six (6) mills on the taxable value of all real and personal property each year for ten (10) years beginning

with the year 1969. All revenue from this property tax levy shall be appropriated for the support, maintenance, and improvement of the Montana university system."

Section 75. Section 84-3808, R.C.M. 1947, is amended to read as follows:

"84-3808. *Tax on personal property lien on realty—separate assessment.* (a). Every tax due upon personal property is a prior lien upon any or all of such property, which lien shall have precedence over any other lien, claim or demand upon such property, and except as hereinafter provided, every tax upon personal property is also a lien upon the real property of the owner thereof, from and after 12 m. of the first Monday in March in each year.

(b). The taxes upon personal property based upon a taxable value up to and including one thousand dollars (\$1000.00) shall be a first and prior lien upon the real property of the owner of such personal property; taxes upon personal property based upon the taxable value thereof in excess of one thousand dollars (\$1000.00) shall be a first and prior lien upon the real property of the owner unless the owner or holder of any mortgage or other lien upon said real property appearing of record in the office of the clerk and ex officio recorder of the county where such real property is situated at or before the time such personal property tax attached thereto shall have filed the notice hereinafter provided for, in which event the taxes upon such excess of one thousand dollars (\$1000.00), of taxable value shall not be a lien on the real property of such owner. It shall be the duty of the county treasurer to issue to any mortgagee or lien holder, upon his request, a statement of the personal property tax due upon the taxable value up to and including one thousand dollars (\$1000.00); and personal property taxes upon a taxable value up to one thousand dollars (\$1000.00) may be paid, redeemed from a tax sale as by law provided, or discharged separate from any personal property taxes in excess of such amount. Payment of such taxes upon a taxable value up to one thousand dollars (\$1000.00) as herein provided, shall operate to discharge the tax lien upon the personal property of the owner to the extent of such payment in the order that the person paying such tax shall direct.

(c). The holder of any mortgage or lien upon real property who desires to obtain the benefits of this section shall file in the office of the county treasurer of said county a notice giving;

- (1) the name and address of the mortgagee and holder of the mortgage or lien;
- (2) the name of the reputed owner of the land;

- (3) the description of the land;
- (4) the date of record and expiration of the mortgage or lien;
- (5) the amount thereof; and

(6) a statement that he claims the benefit of the provisions of this section; and such notice shall be ineffectual as to any taxes which shall have become a lien on real property prior to the filing of such notice as aforesaid. If the mortgage be not paid at maturity, such notice shall thereafter be filed annually, unless the mortgage be extended for a definite period to be stated in such notice.

(d). Provided, that any owner of a mortgage on real estate upon which personal property taxes are by this act made a lien, and where the owner of such real estate and personal property has failed to pay taxes due upon such real estate and personal property for one or more years, may file with the *department of revenue or its agent* in the county in which such property is located a written request to have the personal property and real estate of the owner separately assessed. Such request must be made by registered mail at least ten (10) days prior to the first Monday in March in the year for which property is assessed. Upon receipt by the *department of revenue or its agent* of such request, it is hereby made the duty of the *department of revenue or its agent* to make a separate assessment of real and personal property of the owner thereof and such personal taxes shall not be a lien upon the real estate so mortgaged of the owner thereof and the said personal property taxes shall be collected in the manner provided by law for other personal property."

Section 76. Section 84-4001, R.C.M. 1947, is amended to read as follows:

"84-4001. *Department of revenue or its agent to enter valuations on assessment book.* Before delivering the assessment book to the county clerk as required by section 84-505 the *department of revenue or its agent* must proceed to add up the valuations, and enter the total valuation of each kind of property, and the total valuation of all property, on the assessment book. The column of acres must show the total acreage of the county."

Section 77. Section 84-4002, R.C.M. 1947, is amended to read as follows:

"84-4002. *County clerk to prepare duplicate statement.* The county clerk must, on or before the second Monday in August of each year, prepare from the assessment book of such year, as corrected by the *department of revenue or its agent*, duplicate statements, showing in separate columns:

- 1. The total value of all property;
- 2. The value of real estate, including mining claims, stated separately;
- 3. The value of the improvements thereon;
- 4. The value of personal property, exclusive of money;
- 5. The amount of money;
- 6. The number of acres of land, and the number of mining claims, stated separately."

Section 78. Section 84-4004, R.C.M. 1947, is amended to read as follows:

"84-4004. *County clerk to follow directions of state department of revenue, county or state tax appeal boards.* As soon as the county clerk receives from the state *department of revenue, county or state tax appeal boards* a statement of any change or changes made by the *department or boards* in the assessment books of the county, or in any assessment therein contained, he must make the corresponding change or changes in the assessment books, by entering the same in a column provided with a proper heading in the assessment books, counting any fractional sum, when more than fifty cents as one dollar, and omitting it when less than fifty cents, so that the value of any separate assessment shall contain no fractions of a dollar; but he must in all cases disregard any action of the *county tax appeal board* which is prohibited by section 84-413; provided, however, that if such assessment books are not in the possession of the county clerk at the time he receives any such statement, he must immediately make a copy thereof, attesting the same with his seal of office, and deliver such attested copy to the county *or state* officer then having possession of such assessment books, and it shall be the duty of such county *or state* officer to immediately make the corresponding change or changes in such assessment in the manner herein provided."

Section 79. Section 84-4005, R.C.M. 1947, is amended to read as follows:

"84-4005. *Department of revenue or its agent to compute and enter taxes—affidavit.* The *department of revenue or its agent* must then compute, and enter in a separate money column in the assessment book, the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property therein enumerated, and foot up the columns showing the total amount of such taxes, and the columns of total value of property in the county, and shall attach thereto his affidavit, by him subscribed as follows:

"I,, *an agent of the department of revenue* do swear that I have reckoned the respective sums due as taxes, and have added up the columns of valuations, taxes and acreage, as required by law, and the said assessment book to which this affidavit is affixed is full, true and correct, and made in the manner prescribed by law," and shall on or before the second Monday of October deliver the completed assessment book to the county clerk."

Section 80. Section 84-4006, R.C.M. 1947, is amended to read as follows:

"84-4006. **County clerk's affidavit—delivery of book to department of revenue or its agent.** That within five (5) days after the second Monday in August the county clerk must attach to the book the following affidavit:

"I,, county clerk of the county of, do swear that I received the assessment book of the taxable property of the county from the *department of revenue or its agent* with his affidavit thereto affixed, and that I have corrected it and made it conform to the requirements of the county and state *tax appeal boards*," and deliver the book to the *department of revenue or its agent*."

Section 81. Section 84-4013, R.C.M. 1947, is amended to read as follows:

"84-4013. **State department of revenue may dispense with duplicate.** The state *department of revenue* may, by an order certified to the county clerk of any county in the state, dispense with the duplicate assessment book in such county, in which event the original assessment book must perform all the offices of such duplicate, and must have like force and effect."

Section 82. Section 84-4201, R.C.M. 1947, is amended to read as follows:

"84-4201. **Duty of department of revenue or its agent.** It shall be the duty of the *department of revenue or its agent*, upon discovery of any personal property in the county, the taxes upon which are not a lien upon real property sufficient to secure the payment of such taxes, to immediately, and in any event not more than five days thereafter, make a report to the treasurer, setting forth the nature, kind, description and character of such property in such a definite manner that the treasurer can identify the same, the amount and assessed valuation of such property, where the same is located, the amount of taxes due thereon, and the name and address of the owner, claimant, or other person in possession of the same. Where such personal property is located in any city or town,

which shall have provided by ordinance for the collection of its taxes for general, municipal and administrative purposes by its city or town treasurer, also and at the same time furnish to said city or town treasurer a duplicate of such notice to the county treasurer. For the purpose of determining the taxes due on such personal property, the *department or its agent* must use the levy made during the previous year."

Section 83. Section 84-4202, R.C.M. 1947, is amended to read as follows:

"84-4202. **Duty of treasurer.** The county treasurer must collect taxes on all personal property, and in the case provided in in the preceding section, it shall be the duty of the treasurer immediately upon receipt of the report *prescribed by section 84-4201, R.C.M. 1947*, to notify the person or persons against whom the tax is assessed that the amount of such tax is due and payable at the county treasurer's office. The county treasurer must, at the time of receiving the report, and in any event within thirty (30) days from the receipt of such report, levy upon and take into his possession such personal property against which a tax is assessed, or any other personal property in the hands of the delinquent taxpayer, and proceed to sell the same, in the same manner as property is sold on execution by the sheriff, and the county treasurer may for the purpose of making such levy and sale, direct the sheriff to make such levy and sale, and the sheriff, undersheriff, or any deputy sheriff of such county is, ex officio, a deputy county treasurer for such purposes, and either may act and receive payment of such taxes. Such sheriff shall be entitled to receive the same fees as he is entitled to in making a seizure and sale under execution.

The county treasurer and his sureties are liable on his official bond for all taxes on personal property remaining uncollected by reason of the willfull failure and neglect of such treasurer to levy upon and sell such personal property for the taxes levied thereon.

The tax on such personal property may be collected and the payment thereof enforced by the seizure and sale of any personal property in the possession of the person assessed at any time after the date the assessment is made or by the institution of a civil action for its collection in any court of competent jurisdiction; provided, however, that a resort to any one of the methods as herein provided for, shall not bar the right to resort to either or both of the other methods, but that any or all of the methods herein provided for may be used until the full amount of such tax is collected.

The county shall have a general lien, dependent on possession,

upon any moneys in its possession belonging to any taxpayer, for any amounts due said county for any delinquent personal property taxes not a lien on real estate, of said taxpayer; provided, however, that due notice must be given the lien holder, if any."

Section 84. Section 84-4211, R.C.M. 1947, is amended to read as follows:

"84-4211. *Department of revenue or its agent to note report of property.* The *department of revenue or its agent* must note on the assessment book opposite the names of each person owning, claiming, or possessing such personal property which may be so reported by him to the treasurer, the fact that such report was made to the treasurer, and the date when the same was so made."

Section 85. Section 84-4503, R.C.M. 1947, is amended to read as follows:

"84-4503. **Assessment for taxation—increase over statement of owner.** Whenever any person has delivered to the *department of revenue or its agent* a sworn statement of his property subject to taxation as now provided by law, and giving the estimated value of such property, and the *department or its agent* shall increase such estimated value, or add other property to such assessment list, the *agent* shall, at least ten days prior to the meeting of the county tax appeal board, give to such person written notice of such change which notice shall be substantially in the following form:

Date.....

Mr.

A change has been made in your assessment list as follows:

(set out and describe specifically changes made in list.)

....., *Agent*

Department of Revenue

Such person may then appear before the county *tax appeal board* and contest the same; and if the assessment of any such person has been added to or changed, either by the *department of revenue* or by the county *tax appeal board*, and such person has not been notified thereof and given an opportunity to contest the same before the county *tax appeal board*, the tax on such increased value or added property shall, upon such facts being established, be adjudged by the court to be void, and such facts and all questions relating thereto, when said tax has been paid under protest, may be heard and determined in the action provided for in section 84-4502. When any person has appeared before the county *tax appeal board* and has contested the increase in the estimated value of his property, or the addition of other property to his assessment list, and has

appealed to the state *tax appeal board* from any action or decision with reference thereto by the county *tax appeal board* and such person is aggrieved at the final action of the state *tax appeal board* in making or allowing such increase or addition, he may pay the tax on such increase or addition or the installments thereof if payable in installments, under protest in the manner provided by section 84-4502, and thereupon, and within the time prescribed and in the manner provided by said section 84-4502, may commence an action to recover such tax, or installments, and in such action contest and litigate the payment of such taxes on such increased value or added property, on the same grounds and for the same reasons that he has contested the same before the county and state *tax appeal boards*, and for no other reasons and on no other grounds; provided, that all of the provisions of section 84-4502 for the retention or refunding of taxes paid under protest shall apply to taxes paid under protest under this section."

Section 86. Section 84-4604, R.C.M. 1947, is amended to read as follows:

"84-4604. **Statements to be furnished by officers.** The cashier of every national bank shall make and deliver to the *department of revenue or its agents* in the county in which said bank is located, within five days after demand therefor, a statement, verified by his oath, showing the name of each shareholder, with his residence and the number of shares belonging to him at the close of business the day next preceding the first Monday in March, in each year, as the same then appeared on the books of said bank, and showing the face value of the capital stock, and the amount of surplus and undivided profits of said bank, and an estimate of the value for which such stock shall be assessed. If said cashier fails to make such statement as required, the *department of revenue or its agents* shall forthwith obtain said information from the officers of the bank and for this purpose shall have access to the books of the bank, and the *department or its agents* shall therefor make an assessment of such stock, which shall be as fair and equitable as *can be made* from the best information available, or the figures disclosed by any prior report of the officers or directors of the bank, made to any state or federal officer to whom such bank is by law required to make reports, *may be adopted*.

Section 87. Section 84-4605, R.C.M. 1947, is amended to read as follows:

"84-4605. **Taxation of banks and shares of stock in.** (1) Every state bank or banking corporation located and doing business in this state, and every private banker doing business in this state, shall be taxable upon the value of all real estate and personal property owned by such bank, banking corporation or pri-

vate banker, and also upon the moneyed capital employed in such business, such moneyed capital to be ascertained as provided by section 84-301; and the cashier or secretary of every such bank or banking corporation, and every such private banker, shall furnish to the *department of revenue or its agent* in the county in which its or his bank is located, within five days after demand therefor, a statement verified by his oath, showing all the resources and liabilities of such bank as disclosed by its books, at twelve o'clock noon on the first Monday of March in each year; if such cashier, secretary or private banker shall fail to make the statement hereby required, the *department or its agent* shall forthwith obtain such information from any other available source, and for this purpose shall have access to the books of such bank, banking corporation or private banker. The *department or its agent* shall thereupon make an assessment of the real estate and personal property owned by such bank, banking corporation or private banker, and of the moneyed capital employed in the business of such bank, banking corporation or private banker, which assessment shall be as fair and equitable as *can be made* from the best information available, or, for the purpose of said assessment the figures disclosed by any prior report made by such bank, banking corporation or private banker to any state or federal officer pursuant to any state or federal law *may be adopted*. Any person required by this section to make the statement hereinabove provided, who shall fail to furnish the same, shall be guilty of a misdemeanor and shall be punished accordingly.

(2) All shares of stock in any such bank or banking corporation shall be assessed at their full cash value, except to the extent that that value is represented in property which is assessable and taxable to such bank or banking corporation in this state, and shall be taxable to the owners of such shares in the county, school district, city, town, or place where such bank or banking corporation is located and not elsewhere, whether or not the owners of such shares are residents of such county, school district, city, town or place.

(3) The cashier or secretary of any such bank or banking corporation shall furnish to the *department or its agent*, upon demand, the name of each stockholder with his residence and the number of shares belonging to him at twelve o'clock noon of the first Monday in March of each year; and if such cashier or secretary, for more than five days after such demand, shall fail to furnish such information, he shall be guilty of a misdemeanor and the *department or its agent* may obtain such information from any other available source, and for such purposes shall have access to the books of such bank or banking corporation. For convenience the assessment of such shares shall be entered on the personal property assessment list under the name of the bank or banking corporation

concerned, but in the assessment list the names of the owners of such shares shall be set forth and the number of shares owned by each, and such assessment, when so entered, shall have all the force and effect as if made in the names of the owners of such shares individually. The bank or banking corporation in which such shares are owned shall be liable for the payment of taxes assessed against such shares, and such taxes shall be payable by and may be collected from such bank or banking corporation in the same manner and under the same penalties as other taxes; provided that such bank or banking corporation may recover from such owners of shares any taxes so paid on such shares, and shall have a lien therefor upon such shares and upon any dividends accrued or to accrue thereon."

Section 88. Section 84-4606, R.C.M. 1947, is amended to read as follows:

"84-4606. **Banks with offices in more than one county—assessment and apportionment of tax.** Any state or national bank, banking corporation, or private bank, the stock, moneyed capital, or moneys and credits of which are subject to taxation under the provisions of chapter 3 and chapter 46, Title 84, Revised Codes of Montana, 1947, and which has banking offices in more than one (1) county, shall furnish to the *department of revenue or its agent* in each such county the information required of it by chapter 46, Title 84, Revised Codes of Montana, 1947, together with a statement of the book value of real estate owned and located in the respective counties and a statement of the deposit liability shown by the books of account of said bank at each of its said banking offices at the close of business the day next preceding the first Monday in March; and the aggregate tax on the stock, moneyed capital, and moneys and credits of such bank computed as provided by law shall be assessed by and be paid to the respective counties in the proportion which the amount of the deposit liability shown on the books of the office or offices of such bank located in such counties, respectively, shall bear to the total deposit liability of such bank."

Section 89. Section 84-4713, R.C.M. 1947, is amended to read as follows:

"84-4713. **Taxes in cities and towns which have exceeded the statutory limit of indebtedness.** All taxes heretofore levied and collected, or to be collected for municipal and administrative purposes by any city or town, the indebtedness of which equals or exceeds the limit provided *in statute*, may be used in payment of current expenses during the fiscal year for which said taxes were levied, the same as though a special levy had been made for each of said purposes. And the council of any such city or town is

hereby authorized to designate the amount of said general levy applicable to each of said purposes, and the amount so designated shall constitute a special fund for the special purpose of paying the expenses incurred for such purpose, and such expenses shall be payable out of such fund and not otherwise; provided, that the aggregate of all taxes authorized for general municipal and administrative purposes shall not exceed one and one-half per cent annually upon the per centum of the assessed value of all taxable property in such city or town."

Section 90. Section 84-4715, R.C.M. 1947, is amended to read as follows:

"84-4715. **Annual tax—collection.** The council has power to levy, and collect, annually taxes on all the property in the city or town taxable for state and county purposes, and may by ordinance provide for the levy and collection of the same."

Section 91. Section 84-4716, R.C.M. 1947, is amended to read as follows:

"84-4716. **Levy, etc., to be made under this chapter.** Until the passage of such ordinance the levy and collection of municipal taxes are, and the proceedings for such purposes must be as provided in this chapter."

Section 92. Section 84-4717, R.C.M. 1947, is amended to read as follows:

"84-4717. **Basis of taxation.** The assessment made by the *department of revenue or its agent* for state and county purposes is the basis of taxation for cities and towns for the property situated therein."

Section 93. Section 84-4718, R.C.M. 1947, is amended to read as follows:

"84-4718. **Duty of department of revenue.** It is the duty of the *department of revenue or its agent*, in making the assessment book, to designate therein the real and personal property, stating each separately and distinctly, situated in cities and towns within *each county in the state.*"

Section 94. Section 84-4719, R.C.M. 1947, is amended to read as follows:

"84-4719. **Copies of assessment books to be furnished cities and towns.** On or before the second Monday in July of each year the *department or its agent* must furnish to all cities of the third class and towns within *each county* which shall make written request for the same, on or before the first Monday in April of each

year, a complete certified copy of *the* assessment book, so far as such assessment book pertains to property within the limits of said cities and towns."

Section 95. Section 84-4720, R.C.M. 1947, is amended to read as follows:

"84-4720. **Charge of department for making copies.** The *department* may charge such cities and towns five cents per folio of one hundred words for each copy of *the* assessment book furnished such cities and towns as provided in the preceding section."

Section 96. Section 84-4721, R.C.M. 1947, is amended to read as follows:

"84-4721. **Equalization of taxes.** The equalization of assessments of property made by the *state department of revenue* applies to the assessment of property in any city or town, and must be taken as the equalization thereof."

Section 97. Section 84-4822, R.C.M. 1947, is amended to read as follows:

"84-4822. **Ad valorem tax basis—complaints—notice—testimony—hearing—refunds—valuation of cars as unit.** It is hereby declared to be the intention of the legislature that the tax herein imposed be not greater than the amount of tax such freight line company would pay if its cars were taxed on an ad valorem basis. No tax other than as in this act imposed shall be assessed against the business or income of any such freight line company. Any such freight line company or railroad company, on or before June 1st of the year in which the tax herein imposed has been paid, may file written complaint with the *state tax appeal* board concerning the correctness of the rate used, or the correctness of the amount of the tax imposed, or any other matter affecting the complaintant under the provisions of this act. Upon filing such complaint, the *state tax appeal* board shall set the same for hearing, and shall give written notice thereof to the complaintant at least ten (10) days before the date set for hearing thereon. Upon the hearing of any such complaint, the *state tax appeal* board shall take testimony to determine whether the amount of the tax, as computed and determined by the *department of revenue*, is greater than the general ad valorem tax for all purposes would be on the cars of such freight line company subject to taxation in Montana, if assessed and taxed on an ad valorem basis. In such cases the *state tax appeal* board shall have the power, and it shall be its duty, to lower or raise the rates herein specified to conform to the facts disclosed at such hearing and to make the amount of the tax due equivalent to such ad valorem tax. If the *state tax appeal* board shall then

determine that the amount of the tax imposed and collected was excessive, the claimant shall be entitled to a refund to the extent of such excess. Within six (6) months after such determination the claimant may present to the state *department of revenue* a sworn claim for such refund, setting forth the amount thereof. The state auditor shall draw his warrant upon the state treasurer for the amount of such claim and the same shall be paid out of the freight line company tax fund created by this act, in the same manner as other claims against the state are paid. In order to determine the amount of tax such freight line company would pay, the *department* may value all cars of any such company as a unit and allocate to Montana that proportion of the total value which the Montana car mileage bears to the total car mileage of the cars of any such freight line company during the twelve (12) months' period ending December 31 of the preceding year, and may then apply to such value, the average total rate of all general property taxes levied for the preceding year by the taxing authorities of the state, counties, school districts, municipalities and other taxing subdivisions for state, county, school and municipal and other purposes."

Section 98. Section 84-4824, R.C.M. 1947, is amended to read as follows:

"84-4824. **Actions to recover delinquent taxes and penalties—additional taxes.** If the taxes and penalties provided for in this act to be paid by the railroad company on the property of such freight line company remain unpaid more than ninety (90) days from the due date, the *department* shall cause an action to be brought to recover the amount of such delinquent taxes and penalties in the district court of any county within the state of Montana in which service can be had on the railroad company which is liable for the payment of such taxes or penalties, or in which the property of such delinquent railroad company can be seized under attachment or garnishment proceedings in the manner prescribed by law. In the event the *state tax appeal* board under its authority to raise or lower the rate of the taxes which would be payable on the cars of such freight line company if taxed upon an ad valorem basis, shall, after a hearing as herein provided, find taxes due from any such freight line company in excess of the five per cent (5%) of all gross revenue in this state which is required to be paid by the railroad companies, such additional tax as so determined shall be due and payable by the freight line company upon which the assessment is made, and if such tax shall remain unpaid for more than ninety (90) days after notification of such assessment by the *state tax appeal* board, the board shall cause an action to be brought to recover the amount of such additional tax in the district court of any county within the state of Montana in which service can be had on the freight line company liable for the

tax or in which the property of such delinquent freight line company can be seized under attachment or garnishment proceedings in the manner prescribed by law."

Section 99. Section 84-4825, R.C.M. 1947, is amended to read as follows:

"84-4825. **Disposition of moneys—refund claims.** All taxes collected under the provisions of this act shall be credited by the state treasurer to the state general fund. An action or proceeding in court to determine the correctness of such tax must be instituted within sixty (60) days after the payment of the tax."

Section 100. Section 84-4903.11, R.C.M. 1947, is amended to read as follows:

"84-4903.11. **Nonresident ad valorem taxpayers—list—duty of state department of revenue or its agent.** It shall be the duty of the *department of revenue or its agent* in every county in this state to prepare annually a list showing the names and addresses of all nonresident ad valorem taxpayers in his county, as shown on the current assessment roll, and forward such list to the state *department of revenue* after the completion of the roll on the second Monday in July but not later than September 30 of each year."

Section 101(a). Section 84-4921, R.C.M. 1947, is amended to read as follows:

"84-4921. **Oaths may be administered by directed of revenue and designated employees.** The *director* and each *employee designated by him* may administer an oath to any person, or take the acknowledgement of any person in respect to any report or return required by or pursuant to this act, or by the rules and regulations of the *department*."

Section 102. Section 84-4922 (2295.22), R.C.M. 1947, is amended to read as follows:

"84-4922. (2295.22) **Revision—application—hearing—adjustment.** An application for revision may be filed with the *department of revenue* by a taxpayer within five (5) years from the original due date of the return. If the taxpayer is not satisfied with the action taken by the *department*, he may appeal to the *state tax appeal board* as provided therein, which shall have authority to grant the claim or any part thereof."

Section 103. Section 84-4923.1, R.C.M. 1947, is amended to read as follows:

"84-4923.1. **Review by court.** The determination of the *state department of revenue* may be reviewed in the district court for

Lewis and Clark county or the county in which the taxpayer resides or has his principal office or place of business, by a complaint filed by the taxpayer against the state *department of revenue* within six (6) months after the receipt of notice of the decision of the state *department of revenue*. Upon the serving of summons upon the state *department of revenue* as in civil action, the cause shall proceed as other civil cases. Service upon the state *department of revenue* may be made by serving one copy upon the *director of the department of revenue*. The remedies provided by this chapter for the collection of the tax shall be stayed and no assessment, distraint or proceedings in court for collection of the taxes shall be made, begun or prosecuted until ninety (90) days after such court action is finally determined. From any determination of such court, an appeal to the supreme court may be taken by either party."

Section 104. Section 84-5202, R.C.M. 1947, is amended to read as follows:

"84-5202. **Assessment of migratory livestock.** All livestock pastured, ranged or grazed, or which does pasture, range or graze in any county or counties of the state during any year, other than the county wherein the said livestock is usually kept by the owner thereof on lands claimed by him, to be known as the home county, shall be assessed for taxation, and such tax collected in the county in which it is found at the time fixed by law for the assessment of all property in the state, at the rate of levy of the home county, and it shall be the duty of the owner thereof, or his agent, at the time of assessment of such livestock, to make and deliver to the *state department of revenue or its agent* in the county where such livestock is found, and to the *department of revenue or its agent* in the home county, a written statement, under oath, showing the different kinds of such livestock within such county belonging to him or under his charge, with their marks and brands, and showing the full time during the current year that such livestock and every part, portion and kind thereof, has been and will be, within any county or counties, other than the home county, and such livestock and the owner thereof, shall be liable to the said county or counties for the taxes thereon, as other property is liable, and the taxes thereon shall be apportioned between the home county and such other county or counties as hereinafter provided; provided, however, that the tax on all livestock fed in feeding pens or other enclosures in any county or counties other than the home county of such livestock, shall not be apportioned as provided herein, but shall be paid in full to the county treasurer of the home county of such livestock."

Section 105. Section 84-5203, R.C.M. 1947, is amended to read as follows:

"84-5203. **Duty of owner when livestock is removed from**

home county to another county. Whenever such livestock is removed, kept, fed, or pastured, or permitted to range or graze, or does range or graze in any county other than its home county, the owner thereof, or the person in charge, or his agent, shall, within fifteen days from the time any such stock enters such other county, deliver to the *department of revenue or its agent* in such county, and to the *department or its agent* in the home county, a written statement, under oath, similar in all respects, as far as practicable, to the statement required at the time of the assessment."

Section 106. Section 84-5205, R.C.M. 1947, is amended to read as follows:

"84-5205. **Collection and disposition of proceeds of taxes.** The *department or its agent* shall indicate on the assessment roll livestock which has or will be kept, fed, pastured, ranged, or grazed in more than one county, and the treasurer, on collecting the taxes thereon in the county in which the same is assessed, shall remit the portion levied for state purposes, as in case of other taxes levied by the state of Montana, and shall place *the department or its agent* the remainder of the tax in a separate fund, known as the migratory stock fund, which shall be subject to distribution as hereinafter provided."

Section 107. Section 84-5206, R.C.M. 1947, is amended to read as follows:

"84-5206. **Distribution of migratory stock fund.** At the regular meeting in July of the board of county commissioners, the *department of revenue or its agent* shall transmit to the board all information filed with the *department* or in its possession concerning stock assessed, wherein the taxes are to be apportioned between two or more counties, and the board of county commissioners shall proceed, on receipt of such information, to distribute said migratory stock fund, in proportion to the time said stock has been in each of such counties, as above provided, and order warrants drawn in favor of the counties entitled to receive a portion of the said taxes against such migratory stock fund, and the portion remaining, belonging to the home county, shall be distributed on the order of the board of county commissioners to the proper fund, according to the tax levy made during the year such assessment was levied, and the board shall make a like distribution of all moneys received from other counties under the provisions of this act."

Section 108. Section 84-5214, R.C.M. 1947, is amended to read as follows:

"84-5214. **Levy for bounty moneys—use of proceeds.** The *department of revenue* shall, annually prescribe, make and levy an

ad valorem tax on all livestock in the state of Montana for the purpose of protecting such livestock by all means of effective predatory animal destruction, extermination and control, including systematic hunting, trapping in planned campaigns, or otherwise, and payment of bounties, against destruction, depredation and injury by wild animals, whether on lands in private ownership, in the ownership of the state, or in the ownership of the United States, including open ranges and all lands in or of the public domain. The tax levy shall not exceed in any one (1) year (a) one and one-half ($1\frac{1}{2}$) mills on the assessed valuation of all sheep, and (b) one (1) mill on the assessed valuation of other livestock. The moneys received from such tax levies shall be transmitted monthly with other taxes for state purposes, by the county treasurer of each county, to the state treasury, and be by the state treasurer placed in and to the credit of the earmarked revenue fund (with other moneys in that fund under the provisions of section 46-1901) and such moneys shall thereafter be paid out only on claims duly and regularly presented to the Montana livestock commission, and thereafter approved by said commission, in accordance with the law applicable either to claims for bounties, when such claims are approved, or to claims for other expenditures necessary and proper for predatory animal control by other means and methods than payment of bounties, as may be determined by the Montana livestock commission. All such moneys shall be available for the payment of bounty claims and for expenditures in and for planned, seasonal, or other campaigns directed, or operated by the commission in cooperation with other agencies, for the systematic destruction, extermination and control of predatory wild animals, as may be determined by the commission and the advisory committee thereto. No claims shall be approved in excess of moneys available for such purposes, and no warrants shall be registered against such moneys."

Section 109. Section 84-5403, R.C.M. 1947, is amended to read as follows:

"84-5403. **Net proceeds—how computed.** The state *department of revenue* shall calculate and compute from said returns the gross product yielded from such mine, and its gross value in dollars and cents for the year covered by the statement, and also shall calculate and compute the net proceeds in dollars and cents of said mine yielded to such person, corporation or association so engaged in mining which said net proceeds shall be ascertained and determined by subtracting from the value in dollars and cents of the gross product thereof the following, to wit:

1. All royalty paid, or apportioned in cash or in kind by the person, corporation or association so engaged in mining.

2. All moneys expended for necessary labor, machinery and supplies needed and used in the mining operations and developments.

3. All moneys expended for improvements, repairs and betterments necessary in and about the working of the mine, except as hereinafter provided.

4. All moneys expended for costs of repairs and replacements of the milling and reduction works used in connection with the mine.

5. Depreciation in the sum of six per cent (6%) of the assessed valuation of such milling and reduction works for the calendar year for which such return is made.

6. All moneys actually expended for transporting the ores, and mineral products or deposits from the mines to the mill or reduction works or to the place of sale, and for extracting the metals and minerals therefrom, and for marketing the product and the conversion of the same into money.

7. All moneys expended for fire insurance and workmen's compensation insurance, and for payments by mine operators to welfare and retirement funds when provided for in wage contracts between mine operators and employees.

In computing the deductions allowable for repairs, improvements and betterments to the mine, the state *department of revenue* shall compute and allow ten per cent (10%) of such cost each year for a period of ten (10) years.

No moneys invested in mines or improvements shall be allowed as a deduction unless all machinery, equipment and buildings represented by such moneys shall be returned to the county in which such mine is located for assessment purposes, at the level of assessment of all other property in such county.

No moneys invested in the mines and improvements during any year, except the year for which such statement is made, and except as hereinbefore provided in this section, shall be included in such expenditures; and such expenditures shall not include the salaries or any portion thereof, of any person or officer not actually engaged in the working of the mine or superintending the management thereof."

Section 110. Section 84-5606.23, R.C.M. 1947, is amended to read as follows:

"84-5606.23. **Investigations, inquiries and hearings authorized—testimony under oath—subpoena powers—finding and order to be made and filed.** The *department* and its duly authorized agents are empowered to conduct investigations, inquiries, and hearings

hereunder, and any member thereof, or any agent, is authorized to administer oaths and take testimony under oath, relative to the matter of inquiry or investigation. The *director*, or *his* authorized agent, may subpoena witnesses and require the production of books, papers and documents pertinent to such inquiry. The *director*, or *his* agent, after the hearing, shall make findings and an order, in writing, which findings and order shall be filed in the office of the *department* and open for public inspection."

Section 111. Section 84-5606.24, R.C.M. 1947, is amended to read as follows:

"84-5606.24. **Hearing or rehearing before state tax appeal board.** Any person aggrieved by any action of the *department* or its duly authorized agents, under the provisions of this act, may apply to the *state tax appeal board*, in writing, for a hearing or rehearing thereon within thirty (30) days after such action of the *department* or its authorized agents. The *board* shall promptly consider such application, set same for hearing and notify the applicant of the time and place fixed for such hearing or rehearing, which may be at its office or in the county of the applicant. After such hearing or rehearing, the *board* may make any further or other order in the premises, as it may deem proper and lawful and shall furnish a copy thereof to the applicant. The *department*, on its own initiative, may order a hearing on any matter concerned with the administration of this act, upon at least ten (10) days notice in writing to the person or persons to be investigated."

Section 112. Section 84-5606.26, R.C.M. 1947, is amended to read as follows:

"84-5606.26. **Department's duties and powers—arrest, entry of complaint and lawful search and seizure authorized.** The *department* is charged with the duty of administering and enforcing the provisions of this act, and the *director and his agents*, are hereby given the powers of peace officers, and are authorized and empowered to arrest any person violating any provision of this act, and to enter complaint before any court of competent jurisdiction, and to lawfully search and seize and use as evidence, any unlawful or unlawfully possessed license, stamp or insignia found in the possession of any person or place."

Section 113. Section 84-5801, R.C.M. 1947, is amended to read as follows:

"84-5801. **Production credit associations—assessment and payment.** Every production credit association organized under the provisions of section 1131d of title 12, United States Codes annotated shall be assessed for and pay taxes upon all real and personal

property owned by such association, and also upon the moneyed capital employed in such business, such moneyed capital to be ascertained by deducting from the amount of loans, including loans secured by mortgage on real estate or personal property, the amount of such loans discounted, and any indebtedness representing money borrowed for use as moneyed capital. Said moneyed capital shall be taxed at the same rate and take the same classification as shares of stock in a national bank or moneyed capital coming into substantial competition therewith.

The secretary or managing agent of every such association shall furnish to the assessor of the county in which the principal office of such association is located, within five (5) days after demand therefor, a statement in such detail as the *department of revenue or its agent* may require, verified by his oath of the resources and liabilities of such association as disclosed by its books, at twelve o'clock noon on the first Monday of March in each year. If such secretary or managing agent shall fail to make the statement hereby required, the *department of revenue or its agent* shall forthwith obtain such information from any other available source, and for this purpose he shall have access to the books of such association. The *department of revenue or its agent* shall thereupon make an assessment of the real estate and personal property owned by such association, and of the moneyed capital employed in the business of such association which assessment shall be as fair and equitable as he may be able to make from the best information available, or said assessor may, for the purpose of said assessment, adopt the figures disclosed by any prior report made by such association to any state or federal officer pursuant to any state or federal law. Any person required by this section to make the statement hereinabove provided, who shall fail to furnish the same, shall be guilty of a misdemeanor and shall be punished accordingly."

Section 114. Section 84-6012, R.C.M. 1947, is amended to read as follows:

"84-6012. **Livestock brought into state—notice to department of revenue or its agent.** The owner or the agent, manager or foreman of any person, corporation, or association bringing livestock into this state after the first Monday in March shall immediately after said livestock crosses the state line, forward to the *department of revenue or its agent* in the county into which the livestock is moved, a registered letter, which letter shall contain the name of the owner of such livestock, of the number thereof, the brand thereon, and the ages of the same, together with the time and place at which said livestock was brought across the state line, provided, that the Montana livestock sanitary board at least once each month furnish, from its own records to the *department of*

revenue or its agent in the county into which such livestock is moved, a list of the number and kind of livestock so moved, together with the name of the owner thereof."

Section 115. Section 84-6013, R.C.M. 1947, is amended to read as follows:

"84-6013. **Collection of tax on livestock.** The *department of revenue or its agent* upon receipt of such letter or other information, that livestock has been brought into his county from outside of the state, after the first Monday in March in any year, shall immediately proceed under the provisions of section 84-4201."

Section 116. Section 84-6014, R.C.M. 1947, is amended to read as follows:

"84-6014. **Intention to move livestock from one county to another—notice—proration of tax.** If any owner of livestock driven into the state as hereinbefore provided intends to move said livestock from the county of entry to another county of this state for grazing purposes, he shall file with the *department of revenue or its agent* in the initial county a notice to that effect, giving the number and kind of livestock and the brand thereon, and the time he intends to graze such livestock in the second county, and the *department or its agent* shall prorate the tax on such livestock in conformity with the provisions of sections 84-5202 to 84-5208, inclusive."

Section 117. Section 84-6202, R.C.M. 1947, is amended to read as follows:

"84-6202. **Statement of yield, penalty, extension of time.** Every person engaged in mining upon any mine whatsoever containing natural gas, petroleum, or other crude or mineral oil must on or before the thirty-first day of March in each year make out and deliver to the state *department of revenue* a statement of the gross yield of such natural gas, petroleum, or other crude or mineral oil from each mine owned or worked by such person during the next preceding calendar year, and the value thereof. Such statement shall be in the form prescribed by the state *department of revenue* and must be verified by the oath of such person or the **manager, superintendent, agent, president or vice-president** of such corporation, association or partnership. Such statement shall show the following:

1. The name and address of the operator of the mine, together with a list in duplicate of the names and addresses of any and all persons owning or claiming any royalty interest in the mineral product of such mine or the proceeds derived from the sale thereof,

and the amount or amounts paid or yielded as royalty to each of such persons during the period covered by the statement.

2. The description and location of the mine.

3. The number of cubic feet of natural gas, barrels of petroleum, or other crude or mineral oil extracted or produced from the mine during the period covered by the statement.

4. The gross yield or value in dollars and cents.

5. Actual cost of extracting same from mine.

6. Cost of construction, repairs and betterments of mines.

7. Actual cost of fire insurance and workmen's compensation insurance.

If any person shall fail, neglect or refuse to file the statement required by this section within the time required, or within any extended period of time allowed, the state *department of revenue* when transmitting the net proceeds valuations to the counties shall inform the county assessor of such failure, neglect or refusal and the county assessor in addition to the net proceeds tax, if any, shall assess a penalty of $\frac{2}{3}$ of 1% of such tax for each calendar month or fraction thereof that the required statement is not filed, deducting therefrom any moneys collected by the state *department of revenue* required by this section. The state *department of revenue* shall assess a penalty of \$25 for each calendar month or fraction thereof, not exceeding four months, that the required statement is not filed, to be collected by the state *department of revenue* and deposited to the credit of the general fund of the state of Montana.

The state *department of revenue* shall upon a showing of reasonable cause, grant an extension of time for filing the statement required by this section.

This penalty shall be in addition to penalties provided in section 84-6209."

Section 118. Section 84-6702, R.C.M. 1947, is amended to read as follows:

"84-6702. **Montana compact commissioner—director of revenue.** The *director* of the state *department of revenue* shall represent this state on the multistate tax commission."

Section 119. Section 84-6703, R.C.M. 1947, is amended to read as follows:

"84-6703. **Alternate.** The member representing this state on the multistate tax commission may be represented thereon by an alternate designated by him."

Section 120. Sections 84-211, 84-429.10, 84-443, 84-444, 84-445, 84-446, 84-447, 84-453, 84-502, 84-503, 84-4732, 84-4733, 84-4734, and 84-4735, R.C.M. 1947, are repealed.

Approved: March 21, 1973.
